

A meeting of the Executive Committee of the Federal Reserve Board was held in Washington on Friday, August 10, 1934, at 11:30 a. m.

PRESENT: Mr. Thomas, Chairman of the Executive Committee
Mr. Hamlin
Mr. James

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Martin, Assistant to the Governor

The Committee considered and acted upon the following matters:

Letter dated August 9, 1934, from Mr. Roelse, Assistant Secretary of the Federal Reserve Bank of New York, and telegrams dated August 8, 1934, from Mr. Curtiss, Chairman of the Federal Reserve Bank of Boston, Mr. Wood, Chairman of the Federal Reserve Bank of St. Louis, and Mr. McClure, Chairman of the Federal Reserve Bank of Kansas City, and August 10, 1934, from Mr. Strater, Secretary of the Federal Reserve Bank of Cleveland, and Mr. Clark, Secretary of the Federal Reserve Bank of Atlanta, all advising that, at meetings of the boards of directors on the dates stated, no changes were made in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Memorandum dated August 6, 1934, from Mr. Carpenter, Assistant Secretary, recommending the appointment of Mr. John M. Costello as a messenger in the Board's telegraph office, with salary at the rate of \$780 per annum, effective as of the date upon which he enters upon the performance of his duties, after having passed a satisfactory physical examination. The recommendation was approved by five members of the Board on August 8, 1934.

Approved.

8/10/34

-2-

In connection with the above, consideration was given to a memorandum dated August 9 from Mr. Carpenter stating that Dr. J. B. Glenn who made the physical examination of Mr. Costello reports that he had a mild bronchitis and a rapid pulse, and that Dr. Glenn suggests that, in accordance with the usual procedure followed by life insurance companies, Mr. Costello be examined again in one week's time, when a final decision would be reached. The memorandum stated also that, inasmuch as the telegraph office is in need of the services of a messenger at the present time, it is recommended that the Board approve the temporary appointment of Mr. Costello, with the distinct understanding that if he passes the second physical examination satisfactorily his appointment will become permanent, but that if the report on the second examination is unsatisfactory, his services will be terminated. The recommendation was approved by four members of the Board on August 9, 1934.

Approved.

Memorandum dated August 8, 1934, from Mr. Carpenter, Assistant Secretary, stating that Mr. J. H. Heher, an operator in the Board's telegraph office, has been ill with acute nephritis, and has been granted (in addition to the regular vacation period of two weeks and leave of absence on account of illness of thirty days) a leave of absence on account of illness of forty-five days with full pay; that the additional leave granted will expire on August 15; that his physician has stated that he hopes Mr. Heher will be able to return to work in a month or less after August 15; and that, accordingly, it is recommended that Mr. Heher

8/10/34

-3-

be granted a further leave of absence of thirty days without pay from August 15, 1934, or such shorter period as is found necessary for his recovery. The memorandum stated also that for reasons stated in the memorandum it is felt an additional operator should be employed temporarily during the absence of Mr. Heher, and that it is recommended that the Board authorize the temporary employment on a full time basis at the rate of \$165 per month, during the absence of Mr. Heher, of Mr. L. H. Cooley, who is now employed as a part time operator, and the temporary employment of a part time operator to take the place of Mr. Cooley, with salary at the same rate as received by Mr. Cooley, -- \$100 per month. The recommendations were approved by four members of the Board on August 10, 1934.

Approved.

Memoranda dated August 6, 1934, from Mr. Paulger, Chief of the Division of Examinations, recommending that the temporary employment of the following employees, as stenographers in the division, be extended for an additional thirty days, at the same rate of compensation as their original employment:

Miss Claire C. Atkins
 Mr. J. F. Furbershaw
 Miss Elizabeth B. Griffin
 Miss Helene L. Kearney
 Miss Beverly Mathews
 Miss Frederica G. Ritter
 Miss Anna F. Scott

Approved.

Memorandum dated August 7, 1934, from Mr. Paulger, Chief of the Division of Examinations, recommending the temporary appointment, for a

8/10/34

-4-

period of two months, of Miss Hazel E. Patrick as a clerk in the division, with salary at the rate of \$110 per month, effective as of the date upon which she enters upon the performance of her duties.

Approved.

Memorandum dated August 7, 1934, from Mr. Wyatt, General Counsel, submitting and recommending acceptance of the resignation of Mr. Gray Williams, an assistant counsel in the legal division, effective at the close of business on August 25, 1934. The recommendation was approved by five members of the Board on August 8, 1934.

Approved.

Memorandum dated August 7, 1934, from Mr. Van Fossen, Assistant Chief of the Division of Bank Operations, transmitting and recommending acceptance of the resignation of Mr. Kenneth R. Iverson as Statistical Clerk in the division, effective at the close of business on August 7, 1934.

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to Mr. F. A. Birgfeld, Chief Clerk of the Treasury Department, reading as follows:

"Receipt is acknowledged of your letter of August 3, 1934, recommending the removal from the payroll of the Federal Reserve Board of the five charwomen employed under the supervision of your office for the purpose of servicing the offices of the Federal Reserve Board, which, until August 4, 1934, were located in the Treasury Building.

"It is understood that the five employees involved have been transferred as of the opening of business on August 4, 1934, to another payroll and will be continued as employees of the Treasury Department. Accordingly, they have been removed from the Board's roll as of the close of business on August 3, 1934."

Approved.

8/10/34

-5-

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

"Receipt is acknowledged of your letter of August 4, 1934, transmitting, in accordance with the request contained in the Board's letter of February 21, 1934, statements of indebtedness as of July 1, 1934, of the present employees of the Federal Reserve Agent's department of your bank who had previously reported indebtedness.

"It is noted that William O'Brien, Estelle Ingold and H. G. McConnell incurred additional indebtedness in May or June, 1934, which was not reported to the Board. The Board's letter of April 29, 1933, X-7425, contemplated that all indebtedness (except current bills for ordinary personal and household expenses) incurred by members of the Federal Reserve Agent's staff would be reported to the Federal Reserve Board immediately following the date upon which the indebtedness was incurred, and the Board's letter to you of February 21, 1934, suggested that you submit semi-annual reports with regard to the progress being made in the liquidation of the indebtedness previously reported. It will be appreciated if you will follow this procedure in connection with any indebtedness of the kind referred to incurred in the future by any member of your staff.

"At the time the appointment of Mr. H. G. McConnell as an examiner was approved by the Board, it was understood that his indebtedness to the National Citizens Bank of Mankato, Minnesota, would be reduced at the rate of \$25 per month, which payment was satisfactory to the bank. The report inclosed with your letter shows a reduction of only \$127 in the amount of this indebtedness since November 13, 1933, the date of the approval of Mr. McConnell's appointment, and only \$50 since November 21, 1933, when a report of indebtedness was submitted by him. As you know, the Board has taken the position that examiners at Federal reserve banks should refrain from incurring indebtedness to member banks, and accordingly it is requested that Mr. McConnell adhere closely to the agreed program of liquidation of the indebtedness to the national bank. It will be appreciated if you will advise what arrangements have been made by Mr. McConnell for the liquidation of the new indebtedness incurred by him to the University State Bank of Minneapolis."

Approved.

Memorandum dated August 7, 1934, from the Committee on Salaries and Expenditures, submitting a letter dated August 2 from Mr. Walsh, Chairman of the Federal Reserve Bank of Dallas, which requested approval

8/10/34

-6-

of a change in the personnel classification plan of the Houston branch to provide for an increase in the salary range of the position of "manager" in the Reconstruction Finance Corporation department. The memorandum stated that the committee had reviewed the proposed change and recommended that it be approved. The recommendation was approved by five members of the Board on August 9, 1934.

Approved.

Telegram dated August 6, 1934, approved by three members of the Board, to Mr. Walsh, Chairman of the Federal Reserve Bank of Dallas, reading as follows:

"Your telegram. Board approves appointment by your bank of T. M. Cullum as member Industrial Advisory Committee for Eleventh District. Please advise promptly if appointment is accepted by Mr. Cullum."

Approved.

Letters dated August 9, 1934, approved by five members of the Board, to the boards of directors of the following named State banks, each letter 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 the district in which the applicant is located:

<u>Applicant Bank</u>	<u>Federal Reserve Bank</u>
"Pilgrim Trust Company", Boston, Massachusetts.	Boston
"The Peoples State Bank of Luray, Kansas", Luray, Kansas.	Kansas City

Approved.

8/10/34

-7-

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

"Receipt is acknowledged of Mr. Fry's letter of August 1, 1934, which has reference to the Board's letter of July 26, 1934, requesting advice as to whether the 'Farmers and Merchants Bank of Summersville', Summersville, West Virginia, had complied with condition numbered 18, prescribed in connection with its application for membership, which was accomplished on January 9, 1934, which provided that the bank should, within six months from the date of its admission, reduce all of its loans which are in excess of the limits now prescribed by the laws of the State of West Virginia, to amounts within such limits.

"It is noted that it is not clear to the bank whether the provisions of condition numbered 18 are applicable to those loans which are in excess of 10 per cent of its capital and surplus and which were made prior to May 10, 1933, the date an amended statute became effective reducing the loan limit in West Virginia State banks from 20 per cent to 10 per cent of capital and surplus but allowing banks a period of two years to reduce loans already made to amounts within such reduced limits.

"At the time the bank was examined, as of August 28, 1933, in connection with its application for membership, it had nineteen loans which were in excess of 10 per cent of its capital and surplus, and three of which were in excess of 20 per cent of its capital and surplus. In the memorandum prepared by your office in connection with the bank's application, attention was called to the three loans referred to as being the only loans which were in excess of State laws restricting loans, and in prescribing condition numbered 18 the Board had in mind only such loans as were then legally excessive. Since the loans held by the bank which were made prior to May 10, 1933, and which are in excess of 10 per cent but not in excess of 20 per cent of its capital and surplus do not become legally excessive until May 10, 1935, the provisions of membership condition numbered 18 would not of course be applicable thereto.

"The report of examination as of May 21, 1934, indicates that all but one of the three loans mentioned above have now been reduced to amounts within 20 per cent of the aggregate amount of the bank's capital and surplus on May 10, 1933. In his letter of August 1, 1934, Mr. Fry calls attention to the fact that the courts have restrained the bank from instituting legal proceedings looking toward the collection of this remaining loan and therefore no reduction can be

8/10/34

-8-

"accomplished at this time. In the circumstances, therefore, the Board extends to January 9, 1935, the time within which the Farmers and Merchants Bank of Summersville may reduce this loan to an amount within legal limits, and it is requested that you advise the bank accordingly."

Approved.

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

"Receipt is acknowledged of Mr. Fry's letter of August 4, 1934, which has reference to the Board's letter of July 25, 1934, advising of its action in extending the time to April 30, 1935, within which the 'Union Trust Company of Maryland', Baltimore, Maryland, may dispose of any stocks which it now holds and which were acquired in satisfaction or protection of debts previously contracted in good faith. The request for such extension was made by the bank in accordance with membership condition numbered 7 subscribed to at the time of its admission which provides in part that all stock acquired in satisfaction or protection of debts should be disposed of within six months from the date it was acquired unless the time was extended by the Board on the application of the bank for good cause shown.

"The understanding of the Union Trust Company of Maryland that the Board's extension of time to April 30, 1935, within which it may dispose of any stocks which it now holds and which were acquired in satisfaction or protection of debts applies to stocks held by the trust company as of July 25, 1934, is correct. Any stocks acquired by the bank in satisfaction or protection of debts after July 25, 1934, should be disposed of within six months from the date of acquisition as required by membership condition numbered 7 unless the time is extended by the Board on the application of the bank for good cause shown. It is requested that you advise the bank accordingly."

Approved.

Telegram dated August 8, 1934, approved by five members of the Board, to Mr. Peyton, Federal Reserve Agent at the Federal Reserve Bank of Minneapolis, reading as follows:

"Referring your letter August 2, 1934, Board, in view of all circumstances involved and your recommendation,

8/10/34

-9-

"will raise no objection to removal of location of Park City State Bank, Park City, Montana, from Park City to Columbus, Montana, provided approval of Superintendent of Banks for State of Montana is obtained."

Approved.

Telegram dated August 9, 1934, approved by five members of the Board, to Mr. Sargent, Assistant Federal Reserve Agent at the Federal Reserve Bank of San Francisco, reading as follows:

"RETEL August 6 and letter August 4, 1934. Condition numbered 20 prescribed in connection with application for membership 'The Phoenix Savings Bank & Trust Company', Phoenix, Arizona, not applicable to rental, sale, or disposal of real estate in connection with administration of trusts in which it is authorized to act. In connection with condition numbered 21, Board will interpose no objection to incorporation of proposed separate company for purpose of taking over insurance business of bank provided that there be no connection in so far as management or directorate is concerned between proposed company and bank; that offices of proposed company be not located in banking quarters of bank; that ownership, sale, or transfer of shares of stock of bank be not conditioned in any manner whatsoever upon ownership, sale, or transfer of shares of stock of such company; and that name selected for proposed company be such that it does not indicate any connection between bank and such company."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to Mr. Sargent, Assistant Federal Reserve Agent at the Federal Reserve Bank of San Francisco, reading as follows:

"This is to advise you that upon recommendation of the Federal Reserve Board, the Comptroller of the Currency has approved the application of 'The Valley Bank and Trust Company', Phoenix, Arizona; for permission to establish and operate a branch at Casa Grande, Arizona.

"You are requested to advise the bank accordingly."

Approved.

8/10/34

-10-

Letter dated August 9, 1934, approved by five members of the Board, to "The Windham County National Bank of Danielson", Danielson, Connecticut, reading as follows:

"The Federal Reserve Board has given consideration to your application for permission to exercise fiduciary powers, and grants you authority 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 Connecticut, 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 granted by the Board. A formal certificate covering such authorization will be forwarded to you in due course."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to Mr. Austin, Federal Reserve Agent at the Federal Reserve Bank of Philadelphia, reading as follows:

"Reference is made to the application of the 'Bethlehem National Bank', Bethlehem, Pennsylvania, for permission to exercise fiduciary powers.

"In accordance with the usual practice of the Board this application was submitted to the Comptroller of the Currency for his recommendation, and a reply has been received to the effect that such recommendation will be deferred until the first examination of this new institution has been made, and that the District Chief Examiner will be requested to have an examination made at an early date.

"The Board, therefore, will take no action on the pending application until such time as the Comptroller's recommendation is received.

"In this connection, it is noted that the question of the sufficiency of the applicant bank's capital and surplus under the requirements of the Pennsylvania State law is involved in this case, inasmuch as the applicant's common capital and surplus are both less than the amount required by State law for a

8/10/34

-11-

"State institution exercising trust powers in a place the size of Bethlehem, although the total of capital and surplus is greater than the total capital and surplus required under the State law. The question of granting trust powers under these circumstances is now receiving the consideration of the Board."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to Mr. Austin, Federal Reserve Agent at the Federal Reserve Bank of Philadelphia, reading as follows:

"Reference is made to your letter of July 3, 1934, in regard to the application of the 'South Philadelphia National Bank of Philadelphia', Philadelphia, Pennsylvania, for permission to exercise fiduciary powers.

"The Board has given consideration to the application and, in view of the information available in this case, is unwilling to grant the bank fiduciary powers at this time. It has been noted particularly that the officers and directors of the applicant bank had in many instances served in similar capacities in the predecessor banks, both of which were in a very unsatisfactory condition as evidenced by the small percentage of deposits released in the reorganization; that the new institution has not as yet been examined by the Comptroller's representatives and has not been in operation long enough to demonstrate its ability to operate conservatively and successfully. The Board will, therefore, defer action upon the pending application until the bank has been in operation for at least one year and a report of examination made by a national bank examiner subsequent to such period 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. Please advise the applicant bank accordingly.

"In reviewing this application it has been noted that, while the bank's common and preferred capital totaling \$500,000 and surplus of \$100,000 is in excess of the total amount of capital and surplus required under Pennsylvania State Law of a bank exercising trust powers in a city the size of Philadelphia, the amount of its common capital, and of its surplus, are both less than the amount required under State law.

"As you are aware, the Board has held in a similar case in another State that where the combined capital and surplus, including preferred stock, of a national bank applying for trust powers equals or exceeds the total of capital and surplus required by State law of a banking institution operating under the laws of the State it will be considered as meeting the requirements of such State law, even though the common capital and surplus may not conform to the amount required by such State law.

8/10/34

-12-

"The Board has not had occasion to pass upon the question of granting trust powers under these circumstances to a bank in the State of Pennsylvania, but if it does not do so prior to the time when the application of the subject bank is next presented to it, consideration will be given to this phase of the matter."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to the "Liberty Bank of Chicago", Chicago, Illinois, reading as follows:

"The Federal Reserve Board has given consideration to your application for permission to exercise fiduciary powers, and grants you authority, effective if and when the Liberty Bank of Chicago is converted into a national banking association and is authorized by the Comptroller of the Currency to commence business as the 'Liberty National Bank of Chicago', 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 Illinois, 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 Liberty Bank of Chicago into the Liberty National Bank of Chicago 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 sent to the Federal Reserve Agent at the Federal Reserve Bank of Chicago, who will forward it to the Federal Reserve Board for its records. When a copy of such resolution has been received by the Board, a formal certificate covering your authority to exercise trust powers will be sent to you."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to "The Charleston National Bank", Charleston, Illinois, reading as follows:

8/10/34

-13-

"The Federal Reserve Board has given consideration to your application for permission to exercise fiduciary powers, and grants you authority to act, when not in contravention of State or local law, as trustee, executor, administrator, guardian of estates, and committee of estates of lunatics, 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 granted by the Board. A formal certificate covering such authorization will be forwarded to you in due course.

"The Board feels that, if you are tendered any of the trusts now held by The National Trust Bank of Charleston, you should carefully scrutinize their condition and should not accept any of such trusts which, through their assumption, may be detrimental to the interests of your institution."

Approved.

Letter dated August 9, 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:

"The Federal Reserve Board approves the application of the 'Manufacturers Bank & Trust Company of St. Louis', St. Louis, Missouri, for permission to exercise all fiduciary powers authorized under its charter and the laws of the State of Missouri, on the following conditions:

1. Such bank shall not invest trust funds held by it in obligations of the bank's directors, officers, employees or their affiliations or corporations affiliated with the bank.
2. Except with the permission of the Federal Reserve Board, such bank shall not invest the funds of various trusts held by the bank in participations in pools of mortgage bonds or other securities, and the funds of all such trusts shall be invested separately from each other; provided, however, that the Federal Reserve Board will not object to the collective investment of small amounts of trust funds where the cash balances to the credit of certain trust estates are too small to be invested separately to advantage, if the bank owns no participation in the securities in which such collective investments are made and has no interest in them except as trustee or other fiduciary.

"You are requested to obtain an appropriate resolution of the board of directors of the bank accepting these conditions and forward a certified copy thereof to the Board.

8/10/34

-14-

"It has not been thought necessary to impose the condition recommended in your letter of July 16, 1934, to the effect that the capital structure of the bank will be satisfactory to the Federal Reserve Agent at St. Louis, inasmuch as this bank is subject to a condition of membership requiring the Board's approval before it may reduce its capital stock, and any proposed reduction in capital would therefore also be contingent upon the approval of the Federal Reserve Agent.

"The Board feels that the Manufacturers Bank & Trust Company of St. Louis should carefully scrutinize the condition of all trusts which may be taken over from the Lafayette-South Side Bank and Trust Company and should not accept any of such trusts which, through their assumption, may be detrimental to the interests of the member bank.

"You are requested to advise the Manufacturers Bank & Trust Company of St. Louis of the Board's action on the application and its attitude regarding the acceptance of any trusts now held by the Lafayette-South Side Bank and Trust Company of St. Louis."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to the "First National Bank in Grand Junction", Grand Junction, Colorado, reading as follows:

"The Federal Reserve Board has given consideration to your application for permission to exercise fiduciary powers, and grants you authority 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 Colorado, 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 granted by the Board. A formal certificate covering such authorization will be forwarded to you in due course.

"In this connection, reference is made to the portion of the national bank examiner's report of May 30, 1934, relating to the trust department of The Grand Valley National Bank of Grand Junction, and to the comments and criticisms contained therein. It is felt that no trusts should be acquired from the predecessor bank unless an opinion has first been obtained from your attorney that there are no claims or contingent liabilities involved, and

8/10/34

-15-

"that you should not accept any of such trusts which, through their assumption, may be detrimental to your institution."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to Mr. O'Connor, Comptroller of the Currency, reading as follows:

"In accordance with Acting Comptroller of the Currency Awalt's recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The First National Bank of Jefferson', Jefferson, Georgia, from \$200,000 to \$100,000, pursuant to a plan which provides that the released capital shall be transferred to undivided profits, and that thereafter unsatisfactory assets, which are to remain the property of the bank, will be charged off, as set forth in Mr. Awalt's letter of July 27, 1934.

"The Board's approval is given with the understanding that all estimated losses and doubtful assets shown in the report of examination of such bank made as of March 12, 1934, together with any existing securities depreciation and such other unsatisfactory assets as may be indicated by your office, will be eliminated before any of the released capital is returned to the shareholders of the bank."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to Mr. O'Connor, Comptroller of the Currency, reading as follows:

"In accordance with the recommendation of Acting Comptroller of the Currency Awalt, the Federal Reserve Board approves a reduction in the common capital stock of 'The Dixon National Bank', Dixon, Illinois, from \$100,000 to \$10,000, pursuant to a plan which provides for the conversion of \$50,000 of the present outstanding preferred stock into common stock, and for the use of the released capital, together with a portion of the bank's surplus, undivided profits and reserves and approximately \$76,900 to be raised locally, in eliminating approximately \$232,700 of undesirable assets, all as set forth in Mr. Awalt's memorandum of July 20, 1934."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to Mr. O'Connor, Comptroller of the Currency, reading as follows:

8/10/34

-16-

"Receipt is acknowledged of Mr. Awalt's memorandum of July 26, 1934, with reference to the proposed reduction in common capital stock of 'The Landmands National Bank of Kimballton', Kimballton, Iowa, which was approved by the Board on April 6, 1934, pursuant to a plan which provided, among other things, for a voluntary contribution of \$8,400 to be raised locally in order to assist the bank in eliminating unsatisfactory assets.

"It is understood that the bank's condition has been improved, through the collection of certain unsatisfactory assets and an increase in earnings, to the extent that a local contribution of \$2,300 will enable the completion of the desired eliminations.

"In accordance with Mr. Awalt's recommendation, the Board amends its previous approval to provide that the amount of the voluntary contribution be reduced from \$8,400 to \$2,300, with the understanding that the other provisions of the plan as originally submitted remain unchanged."

Approved.

Letter to Mr. O'Connor, Comptroller of the Currency, 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 Citizens National Bank of Maplewood', Maplewood, Missouri, from \$100,000 to \$25,000 pursuant to a plan which provides for the sale of \$50,000 of preferred stock to the Reconstruction Finance Corporation and for the use of the released capital in eliminating a corresponding amount of undesirable assets, all as set forth in Mr. Awalt's memorandum of July 25, 1934."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to Mr. O'Connor, Comptroller of the Currency, 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 First National Bank of Pontotoc', Pontotoc, Mississippi, from \$125,000 to \$50,000, 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 to eliminate unsatisfactory assets in the amount of \$63,218.41

8/10/34

-17-

"and to augment the bank's undivided profits account, all as set forth in Mr. Awalt's memorandum of July 27, 1934.

"It is understood that the plan of reduction of the common capital hereby approved supersedes the one approved by the Board on January 29, 1934."

Approved.

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

"In accordance with Acting Comptroller of the Currency Awalt's recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The Miami County National Bank of Paola', Paola, Kansas, from \$150,000 to \$75,000, pursuant to a plan which provides that the bank's capital shall be increased by \$75,000 of preferred stock to be sold to the Reconstruction Finance Corporation, and that the released capital shall be used to eliminate substandard assets, all as set forth in Mr. Awalt's memorandum of July 27, 1934."

Approved.

Telegram to Mr. Curtiss, Federal Reserve Agent at the Federal Reserve Bank of Boston, stating that the Board has given consideration to the application of the "Rudo Corporation", Boston, Massachusetts, for a voting permit under the 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 National City Bank of Chelsea", Chelsea, Massachusetts, and has authorized the issuance of a limited permit to the applicant for the following purpose:

"At any time prior to November 1, 1934, to act upon a proposal to place said bank in voluntary liquidation and to take such steps as may be necessary to effect such liquidation."

The telegram also authorized the agent to have prepared by counsel for the Federal reserve bank, and to issue to the Rudo Corporation, a

8/10/34

-18-

Limited voting permit in accordance with the telegram.

Approved.

Letter dated August 8, 1934, approved by five members of the Board, to the Federal reserve agents at all Federal reserve banks, reading as follows:

"In view of the added responsibilities of the Federal Reserve Board under the provisions of the Banking Act of 1933 and other recent legislation, the Board feels that it is desirable to have available copies of current reports of examination of all State member banks, and you are requested, therefore, to continue to forward to the Board a copy of each report of examination of a State member bank made by your examiners. This supersedes instructions given in the Board's letter of July 26, 1930, X-6665, to forward only analyses of reports of examination unless in some exceptional case it was desired that the Board should have before it a complete report of examination, which instructions were subsequently modified on December 7, 1933, X-7702, to request the submission of reports of examination of State member banks for consideration in connection with the certification to the Federal Deposit Insurance Corporation required under the provisions of Section 12B of the Federal Reserve Act.

"Inasmuch as the various Federal reserve banks will be using a uniform and detailed report of examination, it is not considered necessary to continue to forward with such reports of examination a detailed analysis on F. R. B. Form 212, and accordingly a draft of a proposed memorandum form (F. R. B. Form 213) to be transmitted with the reports of examination of State member banks made by examiners of the reserve banks is attached.

"Attached also is a revised analysis form (F.R.B. Form 212) for use in forwarding to the Board analyses of reports of examinations of State member banks made independently by State banking authorities.

"It will be appreciated if you will review the drafts of these forms and forward your suggestions and comments thereon to Mr. Paulger, Chief of the Board's Division of Examinations."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to Governor Norris of the Federal Reserve Bank of Philadelphia, reading as follows:

8/10/34

-19-

"Receipt is acknowledged of your letter of July 5, 1934, inclosing the opinion of counsel for your bank with respect to the question whether the requirement contained in the original charter of the Pennsylvania Company for Insurances on Lives and Granting Annuities with respect to the payment of interest on uninvested balances of trust funds is now in effect. This opinion was requested by the Board in its letter of March 28, 1934, in order to assist the Board in its determination of the question presented in your letter of November 27, 1933, with respect to the authority of the Pennsylvania Company to pay interest on uninvested balances of trust funds which are payable on demand.

"It is noted that counsel for your bank expresses the opinion that, with respect to uninvested trust funds deposited in its own banking department, the Pennsylvania Company is still subject to the obligation imposed by its incorporating Act of March 10, 1812, to pay interest of at least 4% on such funds; but that, by virtue of the Act of March 7, 1872, amending the Act of 1812, if such uninvested trust funds are deposited in another institution, the Pennsylvania Company shall only be required to allow such an amount of interest as it shall actually receive on such funds.

"The Federal Reserve Board has heretofore ruled that Section 19 of the Federal Reserve Act prohibits a member bank from paying interest on deposits of funds held in a fiduciary capacity which are deposited by the trust department in the commercial department of the bank subject to payment on demand, except in accordance with a contract entered into in good faith before June 16, 1933, and in force on that date, and a member bank must take such action as may be necessary to conform to this requirement as soon as possible consistently with its contractual obligations.

"Attention is also invited to a ruling of the Federal Reserve Board published in the Federal Reserve Bulletin for 1922 at page 572 which holds that all funds received by a member bank in the course of its commercial or fiduciary business must be treated either as deposits against which reserves must be carried or as trust funds which are segregated from the general assets of the bank and are otherwise subject to the safeguards imposed upon the custody and use of trust funds. While this ruling related to a question with respect to reserve requirements of member banks, the principle there stated is also applicable to questions relating to the payment of interest on deposits by member banks. It is assumed that the uninvested balances of trust funds referred to in your letter are treated by the Pennsylvania Company as deposits and that they are not segregated from the general assets of the company and otherwise subjected to the safeguards ordinarily imposed upon the custody and use of trust funds.

8/10/34

-20-

"In the circumstances, notwithstanding the provisions of the State law on the subject, the Pennsylvania Company may pay interest on deposits of funds of this character which are payable on demand only in accordance with the terms of a contract entered into in good faith prior to June 16, 1933, and in force on that date. While the provisions of the State statute with respect to the payment of interest constitute a part of the contract to which a deposit made before June 16, 1933, is subject, such provisions cannot prevail over the applicable provisions of the Federal statute which was enacted on that date.

"Accordingly, it is the view of the Federal Reserve Board that the Pennsylvania Company for Insurances on Lives and Granting Annuities may not lawfully pay interest on deposits payable on demand consisting of uninvested balances received on deposit since June 16, 1933, even though such interest should be treated as a current expense of the trust department as suggested in Mr. Sayre's letter of November 24, 1933; and that, while the company is not prohibited by Section 19 of the Federal Reserve Act from paying interest in accordance with the applicable provisions of State law on such deposit balances received before that date, it is required to take such action as may be necessary to conform to that section either by terminating the deposits or otherwise as soon as possible consistently with its contractual obligations. Under ordinary circumstances and in the absence of a special agreement, it would seem that a bank may terminate an arrangement under which it holds a demand deposit at any time upon giving reasonable notice to the depositor.

"In the circumstances, the Pennsylvania Company may wish to consider the possibility of making such changes in its contracts with its customers as may be necessary to convert uninvested balances of trust funds into time deposits. While under the provisions of Regulation Q such conversion would not enable the company to pay interest on deposits placed with the banking department at a rate of 4% as required by the State law, the company would be enabled to pay interest on deposits which it might place with other institutions as contemplated by the amendatory act of 1872 unless the rate of interest received from such institutions exceeds the maximum prescribed in the regulation.

"In this connection, it is appropriate to state that the Federal Reserve Board has recommended to Congress an amendment to the law which would permit the payment of interest by member banks on trust funds with respect to which such payment of interest is required by State law. This amendment was included in the so-called omnibus banking bill which was considered by the Congress in the closing days of the last session but failed of enactment. The Board feels that such an amendment to the law should be enacted and expects to

8/10/34

-21-

"renew its recommendation on this subject to the next Congress."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to Mr. Hill, Assistant Federal Reserve Agent at the Federal Reserve Bank of Philadelphia, reading as follows:

"This refers to your letter of July 18, 1934, and the Board's reply of July 30, with regard to the question whether a person authorized to engage in the business of receiving deposits but not now engaged in accepting deposits is required by section 21(a) (2) of the Banking Act of 1933 to submit to periodic examinations and to publish periodic reports of condition. For your information there is inclosed herewith a copy of a letter received by the Federal Reserve Board from the Acting Attorney General of the United States in reply to the Board's letter to the Attorney General of July 30, 1934, a copy of which was transmitted to you.

"In view of the statements contained in the letter from the Acting Attorney General, it appears unnecessary to make any further examinations of Spiridion Furcich, private banker of Steelton, Pennsylvania, unless he shall resume the business of receiving deposits. It is suggested that you advise Mr. Furcich that the matter has been taken up with the Attorney General and that, in accordance with the view stated by the Acting Attorney General in his letter to the Federal Reserve Board, no further examinations will be made of him unless he shall resume the business of receiving deposits. It is also suggested that you request Mr. Furcich to notify you if he again resumes the business of receiving deposits."

Approved.

Letter dated August 7, 1934, approved by five members of the Board, to Mr. Newton, Federal Reserve Agent at the Federal Reserve Bank of Atlanta, reading as follows:

"Referring to your letter of July 25, the Federal Reserve Board approves the application of the receiver of The First National Bank of Chattanooga, Chattanooga, Tennessee, for the cancellation of 2,400 shares of stock of the Federal Reserve Bank of Atlanta outstanding in the name of the bank.

"The Board sees no objection to your complying with the request of the receiver of the subject bank, that the check

8/10/34

-22-

"For the proceeds of the Federal Reserve bank stock be drawn payable to the receiver of The First National Bank of Chattanooga, the receiver of The Chattanooga National Bank, and the Reconstruction Finance Corporation, provided such procedure is approved by counsel for your bank."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to Mr. James L. Watson, Commerce Clearing House, Inc., Chicago, Illinois, reading as follows:

"This refers to your letter of July 31, 1934, with regard to the question whether Federal Reserve Agents are subject to income tax statutes of the States in which they perform their duties. This is a question upon which the Federal Reserve Board has not had occasion to express an opinion and the Board, accordingly, is unable to assist you in this connection."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to Mr. Curtiss, Federal Reserve Agent at the Federal Reserve Bank of Boston, reading as follows:

"The Federal Reserve Board has given consideration to the applications of Mr. Earl G. Batty, Mr. Paul C. DeWolf, Mr. William Gammell, Jr., Mr. Charles H. Newell, Mr. Thomas L. Pierce and Mr. Wilson G. Wing under Section 32 of the Banking Act of 1933 for permits to serve at the same time as officers and/or directors of the Providence National Bank, and as officers and/or directors of the Providence National Corporation, both of Providence, Rhode Island.

"It is noted that, in answer to Question No. 1 of F.R.B. Form 99c, the Providence National Corporation is described thus:

'An Inactive Investment Trust, investing in securities not eligible for investment in a National Bank.'

"Mr. Thomas L. Pierce, President of the Providence National Bank, in a letter dated December 6, 1933, describes the business of the Providence National Corporation, as follows:

8/10/34

-23-

'It has bought and, in the main, kept securities. It has only sold for the purpose of improving the quality of its portfolio, - not for profits nor as a distributor.

* * *

'We see ourselves as Trustees of a relatively inactive fund, not as "primarily in the business of purchasing, selling or negotiating securities". We do not purchase or sell securities for others or act as agent. We buy securities for our own account and sell them only for better investment.'

"Upon the basis of the above information and the other facts stated in the applications, the Board is of the opinion that the provisions of Section 32 are inapplicable to the proposed relationships. It will be appreciated if you will so advise the applicants.

"It is also noted that, in his letter of December 6, 1933, Mr. Pierce states:

'The Providence National Corporation was formed in 1929 after consultation with the Comptroller's Office. It was organized with the same number of shares as the Bank and the interest in the shares was evidenced on the Certificates of the Stock of the Bank.'

"In view of the above, the Board agrees with your suggestion that apparently the bank, if it has not already done so, will have to take steps to comply with the provisions of Section 5139 of the Revised Statutes, as amended by Section 18 of the Banking Act of 1933, which provides that, after June 16, 1934, no certificate representing the stock of a national bank shall represent the stock of any other corporation, with certain exceptions which are apparently immaterial in this case."

Approved.

Letter to Mr. Case, Federal Reserve Agent at the Federal Reserve Bank of New York, reading as follows:

"On July 7, 1934, the Board wrote you regarding additional facts and arguments which Mr. J. S. Rippel had indicated that he would submit in support of his application under Section 32 of the Banking Act of 1933 to serve as Chairman of the Board and as director of the Merchants & Newark Trust Company and of J. S. Rippel & Company, both of Newark, New Jersey. Since no further data has been submitted to the Board, it is suggested that you notify Mr. Rippel that unless such additional facts and arguments are submitted prior to September 1, 1934, the Board will assume that he wishes no further consideration to be given to his application and will regard the matter as closed.

8/10/34

-24-

"In such circumstances, it will be appreciated if you will advise the Board as to the steps which Mr. Rippel takes to comply with the provisions of the law."

Approved.

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

"The Federal Reserve Board has received your letter of July 30, 1934, pertaining to the application of Mr. E. A. Frost to serve as a director of the State National Bank, Texarkana, Arkansas, and as a partner of Frost-Whited Investment Company, Inc., Shreveport, Louisiana, in which letter there was inclosed a letter to you from Mr. F. T. Whited, president of the latter company.

"It appears from Mr. Whited's letter that the Frost-Whited Investment Company, Inc., is liquidating its securities business with customers and that at the present time it does not make loans secured by stock or bond collateral, nor does it intend to make such loans in the future. It is stated, however, that the future functions of the Frost-Whited Investment Company, Inc., will be the holding of such stocks and bonds as it may own together with its real estate for its own account as a holding company. In the circumstances, it is understood that the Frost-Whited Investment Company, Inc., will not engage in the purchase and sale of securities, either for its own account or otherwise, but will merely continue to hold such stocks, bonds and real estate as it may now hold. It appears, therefore, that section 32 is no longer applicable to Mr. Frost's service to the State National Bank and the Frost-Whited Investment Company, Inc., and, in the absence of further advice from you, no further action will be taken on his application for permission to serve these institutions.

"On the other hand, it appears possible that the proposed activities of the Frost-Whited Investment Company, Inc., may include the purchasing, selling, or negotiating of securities through changes in its underlying holdings. It is suggested, therefore, that you advise Mr. Frost of the Board's views, especially as contained in the Board's letter of March 12, 1934 (X-7820), pertaining to investment trusts, in order that he may furnish the information described in that letter if the Frost-Whited Investment Company, Inc., should engage in the purchasing, selling, or negotiating of securities for its own account, for consideration by the Board as to whether his service of the State National Bank and the Frost-Whited Investment Company, Inc., comes within the provisions of section 32."

Approved.

8/10/34

-25-

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

"Reference is made to the applications for permits under Section 8 of the Clayton Act of Mr. William G. Lord to serve The Co-operative Central Bank, Boston, Massachusetts and The First National Bank of Athol, Athol, Massachusetts, and of Mr. Raymond P. Harold to serve the Federal Home Loan Bank of Boston, Boston, Massachusetts and The Co-operative Central Bank.

"It appears that The Co-operative Central Bank is a corporation organized pursuant to an act of the legislature of the Commonwealth of Massachusetts, approved March 2, 1932, and that its members comprise all of the co-operative banks in Massachusetts. It has authority to make loans to its member banks and to invest its funds in certain restricted classes of securities. Also, it is authorized to borrow money, but apparently is without authority to receive deposits except those made by its member banks pursuant to an assessment upon such banks by its Board of Directors in accordance with the statute creating it and outlining its powers. It further appears that such deposits are not subject to withdrawal except with the approval of the directors of The Co-operative Central Bank and then only if all member banks are permitted to withdraw an amount in the same proportion, and that they are specifically declared by the statute to constitute, together with accumulated surplus, the capital structure of the corporation.

"As you know, the Board has previously ruled that The Co-operative Central Bank may not properly be considered a bank within the meaning of Section 19 of the Federal Reserve Act so that deposits held by a member bank for the account of the corporation should not be classified as amounts 'due to' banks in computing the member bank's reserves. For similar reasons, upon the basis of the facts before it, the Board believes that the corporation is not to be regarded as a 'bank or trust company' within the meaning of Section 8 of the Clayton Act.

"However, The First National Bank of Athol and the Federal Home Loan Bank of Boston are each to be classified as a 'bank, banking association, or trust company organized or operating under the laws of the United States'. Accordingly, if The Co-operative Central Bank makes loans secured by stock or bond collateral, the relationship covered by each application comes within the prohibitions of Section 8A of the Clayton Act. In such circumstances the Board would be unable to issue a permit for the continuance of the relationship involved, because The Co-operative Central Bank is not a banking institution within the scope of Section 8 and the Board is authorized to issue permits under that section covering service only to banking

8/10/34

-26-

"institutions. On the other hand, if The Co-operative Central Bank does not make such loans, the relationships covered by the applications are neither within the scope of Section 8 nor the prohibitions of Section 8A and the applicants may continue to serve both institutions without a permit and without violating the provisions of the Clayton Act.

"The information which has been submitted in support of the application is insufficient to enable the Board to determine these questions. In the circumstances, therefore, it is suggested that you ascertain whether The Co-operative Central Bank makes such loans and that you advise the respective applicants as to their status with respect to the Clayton Act in accordance with your findings, unless there are other facts which you believe should be brought to the attention of the Board.

"Of course, if upon a consideration of the pertinent facts, with the advice of your counsel, you are unable to determine whether the relationships covered by the applications come within the provisions of Section 8A of the Clayton Act, the Board, upon receipt of full information, will be pleased to rule upon the question.

"In any event, it will be appreciated if you will advise the Board of your action in this matter."

Approved.

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

"There are inclosed the original and copies of the Clayton Act permit granted by the Board to Mr. H. B. Mitchell, Emlenton, Pennsylvania, to serve as a director of The First National Bank of Emlenton, Emlenton, Pennsylvania, as director of The Peoples National Bank of East Brady, East Brady, Pennsylvania, and as director and officer of Peoples National Bank of Clintonville, Clintonville, Pennsylvania.

"In considering Mr. Mitchell's application for a Clayton Act permit, it was noted (Item 12 - F.R.B. Form 94, dated December 12, 1933) that he was serving as a partner of Mitchell and Graham, type of business not stated, and as a partner of Mitchell and Ludwig, whose business is stated as 'investments', both firms being located in Emlenton, Pennsylvania.

"While the Board does not have detailed information with respect to the character of the business conducted by these firms, it appears possible that the provisions of Section 32 of the Banking Act of 1933 are applicable in this case. Therefore, the Board requests that you make such investigation as is necessary to determine the status of Mr. Mitchell with respect to the provisions of Section 32.

8/10/34

-27-

"If you find to your satisfaction that the provisions of Section 32 are not applicable to Mr. Mitchell, you are authorized to transmit the Clayton Act permit to the applicant and copies thereof to the banks concerned.

"If you find that Mr. Mitchell's services with the above named banks and firms come within the provisions of Section 32, you are requested to advise him of the requirements of that section and as to the procedure in making formal application for a Section 32 permit. If, upon considering all of the facts involved, with the advice of your counsel, you are unable to determine to your satisfaction the applicability of Section 32 in this case, the Board, upon receipt of full information, will be glad to rule upon the matter. In any event, the delivery of the Clayton Act permit should not be made until it has been determined that Mr. Mitchell's services with the above named firms and banks does not come within the provisions of Section 32 or that his services with such institutions have been brought into conformity with the requirements of that section.

"Please advise the Board of the action taken in this matter."

Approved.

Letter to Mr. W. I. Myers, Governor of the Farm Credit Administration, reading as follows:

"This refers to your letter of July 26, 1934, transmitting a copy of the charter and by-laws of the Central Bank for Cooperatives together with a memorandum from Mr. Hovey, General Counsel of the Farm Credit Administration, discussing the question as to whether the Central Bank for Cooperatives is a bank organized or operating under the laws of the United States. As stated in its letter to you of July 20, 1934, the Federal Reserve Board must determine, in connection with the Clayton Act application of Mr. H. Lane Young, whether the Central Bank for Cooperatives is a bank organized or operating under the laws of the United States within the meaning of sections 8 and 8A of the Clayton Act and whether such institution makes loans secured by stock or bond collateral within the meaning of section 8A.

"It is noted that Mr. Hovey is of the opinion that the Central Bank for Cooperatives is not a bank within the generally accepted meaning of that term; but it appears that he did not have before him an opinion of the Attorney General which has an important bearing on that question, since he made no mention of it in his memorandum.

"In an opinion dated February 28, 1927, (35 Op. Atty. Gen. 179) the Attorney General of the United States held that Joint Stock Land Banks are 'banks' within the meaning of section 8 of the

8/10/34

-28-

"Clayton Act. In so holding he made the following statement:

"The authority to receive Government deposits and to act as the financial agent of the Government, however, empowers a joint-stock land bank to exercise a limited control over the use of Government funds on deposit. The exercise of this power might, for example, involve the buying of authorized securities with these funds on deposit, and banks possessing such powers would seem to fall within the intended meaning of the Clayton Act. Reference is also made to the potential financial power vested in joint-stock land banks in the case of funds deposited by stockholders. The receiving of deposits, moreover, is one of the three banking functions specified in *Oulton v. Savings Institution*, supra, and the other cases cited, and I am of the opinion that this power, whether exercised or not, constitutes a joint-stock land bank, a bank within the section of the Clayton Act in question.'

"In this connection, it appears that the functions of the Central Bank for Cooperatives and the functions of a Joint Stock Land Bank are quite similar. Both banks are authorized to loan money to certain classes of persons under certain prescribed conditions; both may receive deposits of public money and act as financial agents of the Government under certain conditions; and both banks are authorized to issue their obligations in the form of bonds or debentures.

"In view of the similarity of functions between the two institutions and in the light of the opinion of the Attorney General, the Board's Counsel is of the opinion that the Central Bank for Cooperatives should be considered as a bank organized or operating under the laws of the United States. In accordance with the above opinion of the Attorney General, which is considered binding on the Federal Reserve Board, the Board has heretofore held that Joint Stock Land Banks and Federal Home Loan Banks are 'banks' within the meaning of the Clayton Act.

"It is also noted that, although the Central Bank for Cooperatives has not yet done so, stocks and bonds may be taken as collateral for loans made by the bank. In this connection your attention is invited to the provision of section 8A of the Clayton Act which prohibits, after January 1, 1934, a director, officer or employee of any bank, banking association or trust company organized or operating under the laws of the United States to be at the same time a director, officer or employee of a corporation organized for any purpose whatsoever which shall make loans secured by stock or bond collateral to any individual, association, partnership, or corporation other than its own subsidiaries'.

8/10/34

-29-

"Under the provisions of section 8 of the Clayton Act, the Federal Reserve Board is authorized, under certain circumstances, to issue permits allowing persons to serve not more than three banking institutions which are within the prohibitions of sections 8 and 8A; but the Board is not authorized to issue permits involving relationships between national banks and non-banking organizations which come within the provisions of section 8A.

"If, therefore, it should be determined that the Central Bank for Cooperatives is not a bank, and if it should make any loan secured by stock or bond collateral within the meaning of section 8A, it would become unlawful for Mr. Young to continue to serve as a director of that institution while continuing to serve any bank organized or operating under the laws of the United States; and, in such case, the Board would be without authority to grant a permit covering his relationship with the Central Bank for Cooperatives.

"On the other hand, even if the Central Bank for Cooperatives is held to be a bank within the meaning of the Clayton Act, Mr. Young could continue to serve that bank if he would resign from one of the other banks he is serving and obtain a permit to serve the Central Bank for Cooperatives and the remaining two commercial banks.

"The Board will appreciate a further expression of your views on this question in the light of the above discussion."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to Mr. Newton, Federal Reserve Agent at the Federal Reserve Bank of Atlanta, reading as follows:

"There are inclosed the original and copies of a Clayton Act permit granted to Mr. A. M. Grimsley, Fayette, Alabama, to serve at the same time as director and officer of The First National Bank of Fayette, Fayette, Alabama and as director and officer of the Walker County Bank of Jasper, Jasper, Alabama, for transmittal by you to Mr. Grimsley and the two banks, and a copy for your files.

"In considering Mr. Grimsley's application, it was noted that he made application for permission to serve the Merchants & Farmers Bank, Gordo, Alabama, in addition to the banks named above. The Board is informed, however, that the Merchants & Farmers Bank was placed in liquidation on June 22, 1934 and it, therefore, has not included that bank in Mr. Grimsley's permit.

"It is desired that before you transmit to Mr. Grimsley his permit you ascertain the correctness of the Board's information relative to the status of the Merchants & Farmers Bank, and

8/10/34

-30-

"if you are satisfied that permission to serve this bank is not necessary, you are authorized to forward the permit to Mr. Grimsley, sending copies thereof to the banks involved. Kindly furnish the Board with complete information regarding the disposition of the case in order that its files may be complete."

Approved.

Letter to Mr. Newton, Federal Reserve Agent at the Federal Reserve Bank of Atlanta, stating that the Board has given consideration to the following application for a permit under the Clayton Act, and that, upon the basis of the information before it, feels that the issuance of the permit applied for would be incompatible with the public interest. The letter also requested the agent to communicate to the applicant the Board's position in the matter, and to advise the Board promptly as to whether the applicant desires to submit any additional data, and, if not, as to what steps he proposes to take in order to comply with the provisions of the Clayton Act.

Mr. William P. Armstrong, for permission to serve at the same time as a director and officer of the Princeton Bank and Trust Company, Princeton, New Jersey, and as a director of The Isbell National Bank of Talladega, Talladega, Alabama.

Approved.

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

"There are inclosed Clayton Act permit and copies thereof issued by the Board to Mr. T. D. Boynton to serve at the same time as a director and officer of The Isbell National Bank of Talladega, Talladega, and director of The City National Bank of Selma, Selma, both of Alabama.

"Information obtained from the files of the Comptroller of the Currency indicates that Mr. T. D. Boynton, active Vice

8/10/34

-31-

"President, and his brother, Mr. W. H. Boynton, active President of The Isbell National Bank of Talladega, have apparently violated the provisions of Section 12, Banking Act of 1933, by discounting with the bank various customer's notes of the Talladega Hardware Company, a partnership of T. D. Boynton and W. H. Boynton, amounting to \$2,650.11. The files indicate that this apparent violation was reported to the United States District Attorney at Birmingham, Alabama.

"The Board feels that, in connection with applications involving reported violations of law, definite information should be obtained regarding the disposition which was made of such cases before permits under the provisions of the Clayton Act are issued. You are requested, therefore, to ascertain the status of the charge against Mr. T. D. Boynton, if any, and in the event the case has been duly considered and closed without prosecution you are authorized to release the inclosed permit to Mr. T. D. Boynton, and forward copies thereof to the banks involved, at the same time furnishing the Board complete information with respect to the disposition of this matter in order that its records may be complete.

"The Board also desires that when you submit your recommendation as a result of your annual review of this permit, you report fully as to whether Mr. T. D. Boynton has further violated any provisions of the law by continuing to discount partnership assets, or otherwise."

Approved.

Letter dated August 9, 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:

"The Federal Reserve Board has received your letter of July 18, 1934, with inclosures, pertaining to the question whether Section 8A of the Clayton Act is applicable to the service of Mr. Charles J. Haase as a director of the Federal Home Loan Bank, Cincinnati, Ohio, and as president of Marx and Bensdorf, Inc., Memphis, Tennessee.

"It appears that Marx and Bensdorf, Inc., was incorporated for the purpose, among others, of conducting and carrying on generally the business of a real estate mortgage company and the business of investment banker, but without the authority to conduct a commercial or savings bank and that the company is engaged in making loans on real estate and selling first mortgage bonds. Also, it has been stated that the company occasionally makes small loans secured by the type of mortgage

8/10/34

-32-

"bond which it sells. In this connection, you have previously invited the Board's attention to the fact that Marx and Bensdorf, Inc., is not a 'bank, banking association or trust company' within the provisions of Section 8 of the Clayton Act, so that the Board is without authority to issue a permit under the section for the continuance of a relationship which comes within the prohibitions of Section 8A.

"It further appears that the First Mortgage Bonds issued by Marx & Bensdorf, Inc., copies of which have been submitted for examination, are not issued against pools of mortgages on real estate, but are the usual type of mortgage note, being the direct obligation of the mortgagor guaranteed by Marx & Bensdorf, Inc. It is stated that the bond in each case is part of a direct first mortgage on a specific piece of property, each buyer holding the whole or a part of the bonds issued to secure payment of a particular mortgage, and that no other type of bond is sold by the company.

"As you know, the Board previously has reached the conclusion that neither mortgages nor ordinary mortgage notes are 'securities' within the intendment of Section 20 and Section 32 of the Banking Act of 1933 and that such obligations should not be classified as securities for the purposes of those sections. It would seem to follow, for the same reasons, that ordinary mortgage notes or bonds given as security for loans do not constitute such loans as being 'secured by stock or bond collateral' within the intendment of Section 8A of the Clayton Act.

"Accordingly, on the basis of the information which has been submitted, the Board believes that the type of note which is designated as a First Mortgage Bond and is issued through Marx & Bensdorf, Inc. is the ordinary type of mortgage note directly secured by a mortgage or deed of trust on specific real property and that such First Mortgage Bonds are not 'bonds' within the scope of the prohibitions of Section 8A. In the circumstances, the provisions of that section have no application to Mr. Haase's service to Marx & Bensdorf, Inc. and to the Federal Home Loan Bank.

"Therefore, unless there are other facts which you believe should be called to the attention of the Board, it is suggested that you advise Mr. Haase accordingly."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to Mr. Peyton, Federal Reserve Agent at the Federal Reserve Bank of Minneapolis, reading as follows:

8/10/34

-33-

"There are inclosed the Clayton Act permits and copies thereof issued by the Board to Mr. R. W. Lindeke, St. Paul, Minnesota, covering his services as officer of The First National Bank of Saint Paul and as director and officer of Farmers & Merchants State Bank of Saint Paul, and to Mr. Frank Schlick, St. Paul, Minnesota, covering his services as director of The First National Bank of Saint Paul and as director and officer of Grand Avenue State Bank, St. Paul, for transmittal by you to the applicants and the banks involved, together with copies for your files.

"According to the Board's records, a permit was issued to Mr. Lindeke on February 6, 1931, to serve at the same time as officer of The First National Bank of Saint Paul, as director of Farmers & Merchants State Bank of Saint Paul, and as officer and director of First Veterans State Bank of Saint Paul. The Board's records further reflect that a permit was issued to Mr. Schlick on February 6, 1931, to serve at the same time as director of The First National Bank of Saint Paul, as director of State Savings Bank of Saint Paul, and as director of Grand Avenue State Bank of Saint Paul.

"Information submitted with the applications indicates that the State Savings Bank is in liquidation but apparently no reference has been made to the First Veterans State Bank of Saint Paul, which, however, appears to be no longer in existence. It will be appreciated if you will furnish the Board with complete information concerning the history and present status of the State Savings Bank and the First Veterans State Bank of Saint Paul, and if, in your opinion, there is no reason for withholding the permit issued to Messrs. Lindeke and Schlick, please deliver the permits to them and forward copies to the banks involved, informing the Board when such action has been taken in order that its files in these cases may be complete."

Approved.

Letter dated August 9, 1934, approved by five members of the Board, to Mr. McClure, Federal Reserve Agent at the Federal Reserve Bank of Kansas City, reading as follows:

"Reference is made to your letter of June 29, 1934 relative to permits issued to Messrs. J. R. Dominick, J. C. English, Gerald Hughes, L. B. Jackson and John W. Morey under the provisions of the Clayton Anti-trust Act.

"The files of the Board indicate that Messrs. J. R. Dominick and J. C. English each made application under date of October 4, 1916 for permission to serve as director and officer

8/10/34

-34-

"of the Traders National Bank, Kansas City, Missouri, and as director and officer of the Produce Exchange Bank, Kansas City, Missouri, and that the applications were subsequently approved. It appears that the permit granted in each case was intended to cover the services included in each application, and that therefore, Messrs. Dominick and English may continue to serve as directors and officers of the Traders Gate City National Bank and as directors and officers of the Produce Exchange Bank under such permit, assuming, of course, that the Traders Gate City National Bank represents the same corporate entity as the Traders National Bank of Kansas City.

"The Board's files are not entirely clear with respect to the permit issued to Mr. Gerald Hughes. It appears however, that under date of August 21, 1916, Mr. Hughes made application to serve as vice-president and director of the First National Bank of Denver and as director of the International Trust Company, both of Denver, Colorado, and the application was subsequently approved, in view of which it appears that the permit granted was intended to cover the services included in the application, namely, vice president and director of the First National Bank of Denver and director of the International Trust Company. Inasmuch as it is the Board's present practice to issue permits for service as an officer without distinction as to the title and as it is only natural that over a period of years there should be changes in the official designation, it is not deemed necessary for Mr. Hughes to make a new application because of the fact that in 1916 he applied for permission to serve as Vice-president and Director of the First National Bank and is now Chairman of the Board.

"With respect to the permit issued to Mr. L. B. Jackson it appears that under date of January 16, 1920, Mr. Jackson made application to serve as president of the American National Bank, Sapulpa, Oklahoma, as vice president of the Union National Bank, Tulsa, Oklahoma, and as director of the First National Bank, Oklahoma City, Oklahoma, and that on February 17, 1920 his application was approved. Although it is not clear that the permit issued to Mr. Jackson in 1920 specifically included his services as director of the American National Bank of Sapulpa and as director of the Union National Bank of Tulsa, the fact that under the law the president of a national bank must also be a director, and from information in the files it appears that his services as a director were contemplated, it would appear proper to construe the permit issued to Mr. Jackson as including his services as a director of such banks.

"The Board's files indicate that under date of August 16, 1916, Mr. John W. Morey made application to serve as director of the First National Bank, Denver, Colorado, and as director of the International Trust Company, Denver, Colorado, and that about September 13, 1916 the application was approved. It appears that Mr. Morey is now serving as Chairman of the Board of Directors of the International Trust Company although the office carries no salary and Mr. Morey is not considered an active officer of the bank. In approving Clayton Act permits issued subsequent to November 1, 1933,

8/10/34

-35-

"the effective date of the Board's revision of Regulation L, the Board has taken the position that the Chairman of the Board of Directors was an officer of a bank within the contemplation of the provisions of the Clayton Antitrust Act and in such cases has issued a permit as officer to cover such service, in view of which it would appear that Mr. Morey should file a new application under the provisions of the Act. In this connection reference is made to the Board's letter of April 9, 1934, X-7856."

Approved.

Letter to Mr. McClure, Federal Reserve Agent at the Federal Reserve Bank of Kansas City, reading as follows:

"There are inclosed Clayton Act permits and copies thereof granted by the Board to Messrs. T. M. Callahan and W. E. Letford, both of Longmont, Colorado, to serve at the same time as directors and officers of The First National Bank of Longmont, Longmont, Colorado, and as directors and officers of The First National Bank of Johnstown, Johnstown, Colorado.

"In the consideration of these applications for Clayton Act permits it was noted (Item 12 - F.R.B. Form 94, dated May 7, 1934) that Mr. Callahan was serving as director and/or officer of the following corporations:

<u>Corporation</u>	<u>Location</u>
The Stickney Real Estate and Investment Company	Longmont, Colorado
P. C. & L. Investment Company	Johnstown, Colorado
Fisher-White-Henry Company	Seattle, Washington

"It was noted also that Mr. Letford was serving as director and/or officer of the first two corporations named above.

"Although it appears from information obtained from the banks' recent reports of examination that The Stickney Real Estate and Investment Company and the P. C. & L. Investment Company are engaged primarily in the holding of real estate, it appears possible that the provisions of Section 32 of the Banking Act of 1933 are applicable in the case of the Fisher-White-Henry Company. Therefore, the Board requests that you make such investigation as is necessary to determine the status of Messrs. Callahan and Letford with respect to the provisions of Section 32.

"If you find to your satisfaction that the provisions of Section 32 are not applicable to Messrs. Callahan and Letford, you are authorized to transmit the Clayton Act permits to the applicants and copies thereof to the banks concerned.

8/10/34

-36-

"If you find that the services of Messrs. Callahan and/or Letford with the above named banks and companies come within the provisions of Section 32, you are requested to advise them (or him) of the requirements of that section and as to the procedure in making formal application for a Section 32 permit. If, upon a consideration of all of the facts involved, with the advice of your counsel, you are unable to determine to your satisfaction the applicability of Section 32 in these cases, the Board, upon receipt of full information, will be glad to rule on the matter. In any event, the delivery of the Clayton Act permits should not be made until it has been determined that the services of Messrs. Callahan and Letford with the above named companies and banks do not come within the provisions of Section 32 or that their services with such institutions have been brought into conformity with the requirements of that section.

"Please advise the Board of the action taken in this matter."

Approved.

Letter dated August 8, 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. Charles M. Connor, for permission to serve at the same time as a director of the Farmers State Bank, Toledo, Illinois, and as a director of The First National Bank in Toledo, Toledo, Illinois.

Approved.

Letters dated August 9, 1934, approved by five members of the Board, to applicants for permits under the Clayton Act, advising of approval of their applications as follows:

Mr. R. A. Cooke, for permission to serve at the same time as a director of the Federal Home Loan Bank of Boston, Boston, Massachusetts, and as a director of The Chittenden County Trust Company, Burlington, Vermont.

Mr. Walter P. Schwabe, for permission to serve at the same time as a director of the Federal Home Loan Bank of Boston, Boston, Massachusetts, and as a director of The Thompsonville Trust Company, Thompsonville, Connecticut.

Mr. Robert Wardrop, for permission to serve at the same time as a director and officer of the First National Bank at Pittsburgh,

8/10/34

-37-

Pittsburgh, Pennsylvania, as a director of the Peoples-Pittsburgh Trust Company, Pittsburgh, Pennsylvania, and as a director of the Federal Reserve Bank of Cleveland, Cleveland, Ohio.

Mr. C. H. Bowen, for permission to serve at the same time as a director and officer of The Peoples National Bank of Warrenton, Warrenton, Virginia, and as a director of The State Bank of Remington, Inc., Remington, Virginia.

Mr. Ernest Ray Jones, for permission to serve at the same time as a director of The First National Bank of Oakland, Oakland, Maryland, and as a director of the First State Bank, Grantsville, Maryland.

Mr. Sidney Thompson, for permission to serve at the same time as an officer of The Middleburg National Bank, Middleburg, Virginia, and as a director and officer of the Poolesville State Bank, Poolesville, Maryland.

Mr. Frank J. Wiget, for permission to serve at the same time as a director of the Gravois Bank of St. Louis County, in St. Louis County, Missouri, and as a director and officer of the South Side National Bank in St. Louis, St. Louis, Missouri.

Mr. Howard D. Benton, for permission to serve at the same time as a director and officer of The First National Bank of Norcatur, Norcatur, Kansas, and as a director of the First State Bank, Norton, Kansas.

Mr. Chas. F. McAdams, for permission to serve at the same time as a director and officer of The National Bank of America at Salina, Salina, Kansas, and as a director of The Smolan State Bank, Smolan, Kansas.

Approved.

Letters to applicants for permits under the Clayton Act, advising of approval of their applications as follows:

Mr. I. C. Anderson, for permission to serve at the same time as a director of the Beaver County Trust Company, New Brighton, Pennsylvania, and as a director of the First National Bank at Beaver Falls, Beaver Falls, Pennsylvania.

Mr. Bente S. Luce, for permission to serve at the same time as a director of The Old National Bank of New Brighton, New Brighton, Pennsylvania, and as a director of The First National Bank at Beaver Falls, Beaver Falls, Pennsylvania.

8/10/34

-38-

Mr. John W. Ford, for permission to serve at the same time as a director of The Union National Bank of Youngstown, Youngstown, Ohio, and as a director of the Morris Plan Bank, Youngstown, Ohio.

Mr. H. R. Gilmore, for permission to serve at the same time as a director of The First National Bank of Emlenton, Emlenton, Pennsylvania, and as a director of the Peoples National Bank of Clintonville, Clintonville, Pennsylvania.

Mr. George C. Domian, for permission to serve at the same time as a director of The First National Bank of Bertha, Bertha, Minnesota, and as a director of the First State Bank, Hewitt, Minnesota.

Mr. D. R. Green, for permission to serve at the same time as a director of The Merchants National Bank of Cavalier, Cavalier, North Dakota, and as a director and officer of the Red River National Bank of Grand Forks, Grand Forks, North Dakota.

Approved.

There were then presented the following applications for changes in stock of Federal reserve banks:

<u>Applications for ORIGINAL Stock:</u>	<u>Shares</u>	
<u>District No. 7.</u>		
The Milwaukee Avenue National Bank of Chicago, Chicago, Illinois	141	141
<u>District No. 10.</u>		
Union National Bank in Denver, Denver, Colorado	68	68
	<hr/>	<hr/>
	Total	209
<u>Applications for ADDITIONAL Stock:</u>		
<u>District No. 1.</u>		
The First National Bank and Trust Company of New Haven, New Haven, Connecticut	216	
The New London City National Bank, New London, Connecticut	45	
The Merchants National Bank of Bangor, Bangor, Maine	240	
The First National Bank of Fort Fairfield, Fort Fairfield, Maine	30	
The Andover National Bank, Andover, Massachusetts	68	
The Dedham National Bank, Dedham, Massachusetts	30	

8/10/34

-39-

<u>Applications for ADDITIONAL Stock: (Continued)</u>		<u>Shares</u>	
<u>District No. 1. (Continued)</u>			
The First National Bank of New Bedford, New Bedford, Massachusetts		180	
The Palmer National Bank, Palmer, Massachusetts		15	824
<u>District No. 2.</u>			
National Spraker Bank in Canajoharie, Canajoharie, New York		3	
The First National Exchange Bank of Clayton, Clayton, New York		39	
The First National Bank of Cutchogue, Cutchogue, New York		3	
The Farmers National Bank of Deposit, Deposit, New York		15	
The First National Bank of Edmeston, Edmeston, New York		15	
The City National Bank and Trust Company of Gloversville, Gloversville, New York		15	
The First National Bank of Holland Patent, Holland Patent, New York		12	
The First National Bank of New Hartford, New Hartford, New York		21	
First National Bank of Richfield Springs, Richfield Springs, New York		27	
The National Bank of Schuylerville, Schuylerville, New York		9	
The Unadilla National Bank, Unadilla, New York		27	
The First National Bank and Trust Company of Walden, Walden, New York		15	
The Watertown National Bank, Watertown, New York		42	243
<u>District No. 3.</u>			
The First National Bank of Dagsboro, Dagsboro, Delaware		3	
The Delaware City National Bank, Delaware City, Delaware		3	
The First National Bank of Delmar, Delmar, Delaware		3	
The Atco National Bank, Atco, New Jersey		9	
Audubon National Bank, Audubon, New Jersey		3	
The First National Bank of Bordentown, Bordentown, New Jersey		24	
The Bridgeton National Bank, Bridgeton, New Jersey		60	

8/10/34

-40-

<u>Applications for ADDITIONAL Stock: (Continued)</u>	<u>Shares</u>
<u>District No. 3. (Continued)</u>	
The Cumberland National Bank of Bridgeton, Bridgeton, New Jersey	180
The Merchants National Bank of Cape May, Cape May, New Jersey	15
The Hopewell National Bank, Hopewell, New Jersey	30
The Oaklyn National Bank, Oaklyn, New Jersey	21
The Salem National Bank & Trust Company, Salem, New Jersey	30
The Ventnor City National Bank, Ventnor City, New Jersey	45
The First National Bank of Alexandria, Alexandria, Pennsylvania	12
The First National Bank of Ashley, Ashley, Pennsylvania	45
The Merchants National Bank of Bangor, Bangor, Pennsylvania	90
The Beech Creek National Bank, Beech Creek, Pennsylvania	13
The Blue Ball National Bank, Blue Ball, Pennsylvania	36
The First National Bank of Blue Ridge Summit, Blue Ridge Summit, Pennsylvania	3
The Bridgeport National Bank, Bridgeport, Pennsylvania	15
The First National Bank of Canton, Canton, Pennsylvania	30
The First National Bank of Coaldale, Coaldale, Pennsylvania	12
The Path Valley National Bank of Dry Run, Dry Run, Pennsylvania	7
The First National Bank of East Smithfield, East Smithfield, Pennsylvania	6
Monroe County National Bank of East Stroudsburg, East Stroudsburg, Pennsylvania	75
The First National Bank of Jermyrn, Jermyrn, Pennsylvania	15
The Moxham National Bank of Johnstown, Johnstown, Pennsylvania	18
The First National Bank of Marysville, Marysville, Pennsylvania	9
The Maytown National Bank, Maytown, Pennsylvania	18
The First National Bank of Mount Holly Springs, Mount Holly Springs, Pennsylvania	9
The First National Bank of Mount Union, Mount Union, Pennsylvania	15

8/10/34

-41-

<u>Applications for ADDITIONAL Stock: (Continued)</u>		<u>Shares</u>
<u>District No. 3. (Continued)</u>		
The Nescopeck National Bank, Nescopeck, Pennsylvania	15	
The Northumberland National Bank, Northumberland, Pennsylvania	30	
The North Wales National Bank, North Wales, Pennsylvania	9	
The Valley National Bank of Numidia, Numidia, Pennsylvania	3	
The First National Bank of Nuremberg, Nuremberg, Pennsylvania	15	
The Pen Argyl National Bank, Pen Argyl, Pennsylvania	15	
The Tioga National Bank & Trust Company of Philadelphia, Philadelphia, Pennsylvania	36	
The Merchants National Bank of Quakertown, Quakertown, Pennsylvania	60	
The Watsontown National Bank, Watsontown, Pennsylvania	12	
The First National Bank of York Springs, York Springs, Pennsylvania	<u>15</u>	1,064
<u>District No. 5.</u>		
The First National Bank of Clifton Forge, Clifton Forge, Virginia	45	
The First National Bank of Newport News, Newport News, Virginia	<u>270</u>	315
<u>District No. 6.</u>		
Birmingham Trust & Savings Company, Birmingham, Alabama	5	
The First National Bank of DeFuniak Springs, DeFuniak Springs, Florida	1	
The Hamilton National Bank of Johnson City, Johnson City, Tennessee	210	
The Hamilton National Bank of Knoxville, Knoxville, Tennessee	<u>60</u>	276
<u>District No. 7.</u>		
The First National Bank of Mason City, Mason City, Iowa	60	
Terre Haute First National Bank, Terre Haute, Indiana	15	
Lake Shore Trust & Savings Bank, Chicago, Illinois	<u>162</u>	237
<u>District No. 8.</u>		
Pine Lawn Bank, Pine Lawn, Missouri	2	

8/10/34

-42-

Applications for ADDITIONAL Stock: (Continued)		Shares
<u>District No. 8. (Continued)</u>		
The Farmers National Bank of Clarksville, Clarksville, Arkansas		3
Union National Bank of Little Rock, Little Rock, Arkansas		122
The First National Bank of Ava, Ava, Illinois		12
The First National Bank of Brighton, Brighton, Illinois		9
The Fairfield National Bank, Fairfield, Illinois		18
The Bradford National Bank of Greenville, Greenville, Illinois		60
The City National Bank of Harrisburg, Harrisburg, Illinois		6
The Peoples National Bank of McLeansboro, McLeansboro, Illinois		6
The First National Bank of Millstadt, Millstadt, Illinois		2
The Farmers & Merchants National Bank of Nashville, Nashville, Illinois		21
The National Stock Yards National Bank of National City, National Stock Yards, Illinois		60
The First National Bank of Sandoval, Sandoval, Illinois		2
The Tell City National Bank, Tell City, Indiana		24
The Taylor National Bank of Campbellsville, Campbellsville, Kentucky		12
The Farmers National Bank of Scottsville, Scottsville, Kentucky		3
The Clayton National Bank, Clayton, Missouri		30
The Security National Bank Savings and Trust Company of St. Louis, St. Louis, Missouri		300
The First National Bank of Wellston, Wellston, Missouri		60
The First National Bank of Jackson, Jackson, Tennessee		81
<u>District No. 9.</u>		
The First National Bank of Belle Plaine, Belle Plaine, Minnesota		2
Becker County National Bank of Detroit Lakes, Detroit Lakes, Minnesota		12
The First National Bank of Bemidji, Bemidji, Minnesota		30

833

8/10/34

-43-

<u>Applications for ADDITIONAL Stock: (Continued)</u>		<u>Shares</u>	
<u>District No. 9. (Continued)</u>			
Sault Savings Bank, Sault Ste. Marie, Michigan	66		
The First National Bank of Cokato, Cokato, Minnesota	9		
The Hastings National Bank, Hastings, Minnesota	2		
The First National Bank of Reserve, Reserve, Montana	6		
The First National Bank of Thompson, Thompson, North Dakota	6	133	
<u>District No. 10.</u>			
The First National Bank of Omaha, Omaha, Nebraska	12		
The First National Bank in Trinidad, Trinidad, Colorado	120	132	
<u>District No. 11.</u>			
Continental-American Bank & Trust Company, Shreveport, Louisiana	45		
The Blanco National Bank, Blanco, Texas	4		
The State National Bank of Houston, Houston, Texas	240		
The Rembert National Bank of Longview, Longview, Texas	15		
The First National Bank of O'Donnell, O'Donnell, Texas	9	313	
	<u>Total</u>	<u>4,370</u>	
<u>Applications for SURRENDER of Stock:</u>			
<u>District No. 3.</u>			
The National Bank of Coatesville, Coatesville, Pennsylvania	120		
The Myerstown National Bank, Myerstown, Pennsylvania	60		
Integrity Trust Company, Philadelphia, Pennsylvania	1,195		
Commercial National Bank of Philadelphia, Philadelphia, Pennsylvania	2,100	3,475	
<u>District No. 4.</u>			
The Wellsburg National Bank, Wellsburg, West Virginia	90	90	
<u>District No. 5.</u>			
The First National Bank of Parkton, Parkton, Maryland	45	45	

8/10/34

-44-

<u>Applications for SURRENDER of Stock: (Continued)</u>	<u>Shares</u>	
<u>District No. 6.</u>		
The First National Bank of Ville Platte, Ville Platte, Louisiana	18	18
<u>District No. 7.</u>		
The First National Bank of Traer, Traer, Iowa	80	
Bankers Trust Company, Des Moines, Iowa	62	
The First National Bank of Lockport, Lockport, Illinois	<u>24</u>	166
<u>District No. 8.</u>		
The First National Bank of Livingston, Livingston, Illinois	21	
The Grand National Bank of St. Louis, St. Louis, Missouri	<u>516</u>	537
<u>District No. 10.</u>		
The Lamar National Bank, Lamar, Colorado	54	54
<u>District No. 11.</u>		
The Citizens National Bank of Groesbeck, Groesbeck, Texas	39	
The First National Bank in Mount Pleasant, Mount Pleasant, Texas.	<u>11</u>	50
	<u>Total</u>	<u>4,435</u>

Approved.

Thereupon the meeting adjourned.

P. Lester Moriel
Secretary.

Approved:

J. J. Thomas
Chairman, Executive Committee.