

A meeting of the Executive Committee of the Federal Reserve Board was held in Washington on Thursday, October 4, 1934, at 3:00 p. m.

PRESENT: Mr. Thomas, Vice Governor
Mr. James
Mr. Szymczak

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

The Committee considered and acted upon the following matters:

Telegrams dated October 3, 1934, from Mr. Curtiss, Chairman of the Federal Reserve Bank of Boston, Mr. Austin, Chairman of the Federal Reserve Bank of Philadelphia, and Mr. Wood, Chairman of the Federal Reserve Bank of St. Louis, all advising that, at meetings of the boards of directors on that date, no changes were made in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Letter dated October 3, 1934, approved by three members of the Board, to Mr. Williams, Chairman of the Federal Reserve Bank of Cleveland, reading as follows:

"The Federal Reserve Board notes with regret from Deputy Governor Fleming's telegram of October 2, 1934, the death on that date of Mr. J. C. Nevin, Managing Director of the Pittsburgh branch of the Federal Reserve Bank of Cleveland. It will be appreciated if you will express the sympathy of the members of the Board to Mr. Nevin's family and to his colleagues on the board of directors of your Pittsburgh branch.

"It is assumed that you will advise the Board in due course of the appointment by your board of directors of a successor to Mr. Nevin."

Approved.

Telegram dated October 2, 1934, approved by three members of the Board, to Mr. Sargent, Assistant Federal Reserve Agent at the Federal Reserve Bank of San Francisco, reading as follows:

10/4/34

-2-

"Your letter September twenty-seventh. Board approves designation of L. Larsen and W. C. Haymond, employees of Salt Lake City Branch, as assistant examiners in Federal reserve agent's department of your bank without change in compensation."

Approved.

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

"Reference is made to the report of examination of 'The Southampton Bank', Southampton, New York, as of May 12, 1934, and the information submitted in connection therewith, particularly your letter of September 10, 1934, with inclosures. The bank was admitted to membership May 23, 1933, and it appears that the bank has not made provision for depreciation in its banking house as required under condition of membership numbered 19, which reads as follows:

'Such bank shall make adequate provision for depreciation in its banking house which in any one year shall be not less than two per cent of the present carrying value.'

"It has been noted that the bank feels that while provision for depreciation should eventually be made, it should not be required to make provision at this time in view of the fact that furniture and fixtures with a conservative estimated value of between \$4,000 and \$5,000 are not carried on the bank's books, but have been written off entirely, and that a recent appraisal by the bank's appraisal committee, working in conjunction with the building contractor who erected the present building seven years ago, places a valuation of \$114,036 on the banking house and lot, as compared with a carrying value of \$110,000. This represents a large investment which is in excess of the bank's capital stock, and the Board believes that in accordance with sound banking policy the bank should make provision for depreciation in compliance with the terms of the condition accepted at the time of admission to membership. It will be appreciated, therefore, if you will advise the bank accordingly.

"The State examiner reports that the bank was acting as trustee under an agreement whereby \$28,000 was deposited in the bank to be kept uninvested, and upon which interest at the rate of $4\frac{1}{2}$ per cent was to be paid semi-annually, but that the agreement could not be located during the examination. It is assumed that you have taken steps to satisfy yourself that payment of interest at the rate specified on this deposit is permissible under the provisions of the Federal Reserve Act and regulations of the Board or that it has been discontinued if illegal. It will be appreciated, however, if you will advise the Board definitely in this respect."

Approved.

-3-

10/4/34

Letter to the "City National Bank of Baton Rouge", Baton Rouge, Louisiana, 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 Louisiana, 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 to the "Louisiana National Bank of Baton Rouge", Baton Rouge, Louisiana, 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 Louisiana, 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 October 3, 1934, approved by three members of the Board, to Mr. O'Connor, Comptroller of the Currency, reading as follows:

"In accordance with your recommendation, the Federal Reserve Board approves a reduction of \$21,600 in the common capital stock of 'The First National Bank of Fairfield', Fairfield, Pennsylvania,

10/4/34

-4-

"pursuant to a plan which provides that the bank's capital shall be increased by the sale of \$25,000 of preferred stock to the Reconstruction Finance Corporation and \$19,000 of new common stock locally, that the resultant amount of common capital stock of \$54,000 be reduced to \$32,400, and that the released capital, \$21,600, shall be used to eliminate a corresponding amount of unsatisfactory assets, all as set forth in your letter of September 18, 1934.

"In considering the plan under which the reduction in common capital stock is to be effected, it has been noted that there will remain in the bank a substantial amount of securities depreciation which, if considered as a loss, would impair the bank's common capital stock. It is assumed, however, that you have this condition in mind and that whenever it is feasible to do so you will require such further corrections as may be practicable."

Approved.

Letter dated October 3, 1934, approved by three members of the Board, to Mr. O'Connor, Comptroller of the Currency, reading as follows:

"Receipt is acknowledged of your memorandum of September 19, 1934, with reference to the proposed reduction in common capital stock of 'The Farmers National Bank of Lincoln', Lincoln, Kansas, which was approved by the Board on May 16, 1934, pursuant to a plan which provided for the sale of \$30,000 of preferred stock to the Reconstruction Finance Corporation, and the use of the released capital to eliminate approximately \$10,000 of unsatisfactory assets, and to establish a surplus account of \$5,000.

"You advise that the original plan of recapitalization has been amended and that the bank now proposes to sell \$25,000 of preferred stock to the Reconstruction Finance Corporation, to reduce its common capital stock from \$35,000 to \$25,000, and to use the released capital, together with a local contribution of \$7,000, in eliminating a corresponding amount of substandard assets.

"In accordance with your recommendation, the Board approves the amended plan as set forth in your memorandum of September 19, 1934. This approval supersedes the Board's approval dated May 16, 1934, of the original plan of capital reduction."

Approved.

Telegram dated October 2, 1934, approved by three members of the Board, to the Federal reserve agents at all Federal reserve banks, reading as follows:

10/4/34

-5-

"On account of highly technical nature of questions arising under Regulation T, necessity of conferences between Counsel's office and technical staff and necessity of obtaining Board approval before any rulings or interpretations are made, it is requested that all such questions be submitted in writing or by telegraph rather than by telephone. Answers to all questions of general interest will be sent simultaneously to all Federal reserve agents and each Federal reserve agent is requested to see that copies of such rulings are furnished promptly to appropriate officials of each securities exchange in his district."

Approved.

Telegram dated October 2, 1934, approved by three members of the Board, to the Federal reserve agents at all Federal reserve banks, reading as follows:

"Replying to inquiry as to whether and under what conditions nonmember bank which has executed agreement on F.R.B. Form T-1 or T-2 under section 8(a) of Securities Exchange Act may cancel such agreement, Board has taken position that, inasmuch as statute makes no reference to termination or cancellation except in case of bank's failure to comply with provisions of agreement, there is doubt as to Board's power to permit voluntary cancellation by a bank in other cases and that, since question depends upon interpretation of criminal statute rather than interpretation of Board's regulation, Board could not safely sanction such cancellation without opinion from Attorney General holding that such action would be lawful and would relieve bank from further compliance with agreement. Since it is practice of Attorney General to decline to express opinions except on basis of specific facts in actual cases requiring some action by Government, it is not believed to be possible to obtain opinion from Attorney General on hypothetical question. In order to clear up this question, Board will consider recommending to Congress at next session that statute be amended so as expressly to authorize voluntary cancellation of such agreement by a bank which has closed out all loans made under section 8(a) while agreement was in force."

Approved.

Telegram dated October 2, 1934, approved by three members of the Board, to the Federal reserve agents at all Federal reserve banks, reading as follows:

10/4/34

-6-

"In response to an inquiry as to applicability of section 4(e) of Board's Regulation T in light of word 'additional' preceding word 'margin' in first sentence, Board has replied that the subsection refers to all margin which must be demanded in order to comply with Regulation T."

Approved.

Telegram dated October 2, 1934, approved by three members of the Board, to the Federal reserve agents at all Federal reserve banks, reading as follows:

"Re Regulation T. Under Section 11 of Regulation T, F.R.B. Forms T-1 and T-2 are to be filed in duplicate and Federal Reserve Agents are requested to forward to Board one original counterpart of each form filed. For the period prior to November 1, 1934 each Federal Reserve Agent is authorized, notwithstanding the provisions of Regulation T, in any case which he deems to be of an emergency nature, to accept an agreement properly executed on F.R.B. Form T-1 or (in the case of the Federal Reserve Agents at New York or San Francisco) on F.R.B. Form T-2 even though not filed in duplicate and even though the resolution authorizing the execution of such agreement and the certificate as to the adoption of such resolution are not in the identical form prescribed by the Board, provided that in the opinion of counsel for the Federal Reserve Bank such resolution is sufficient to authorize the execution of the agreement on Form T-1 or T-2 and such certificate furnishes sufficient evidence of the adoption of such resolution. While Board desires prompt advice in accordance with Trans. No. 2094 of issuance of certificates on Form T-3, it is not necessary to send copies of Form T-3 to Board."

Approved.

Letter dated October 3, 1934, approved by three members of the Board, to the Secretary of the Treasury, reading as follows:

"Receipt is acknowledged of your letter of September 26, 1934, inclosing a copy of your regulations issued pursuant to subsection (e) of section 13b of the Federal Reserve Act and a copy of the letter sent by you to the Federal Reserve Bank of Philadelphia on this subject. The Federal Reserve Board has addressed a letter to the Governors and Federal Reserve Agents at all Federal reserve banks inviting their attention to the last paragraph of your letter with regard to compliance with section

10/4/34

-7-

"3 of the regulations on this subject."

Approved, together with a letter, also dated October 3, 1934, and approved by three members of the Board, to the Governors and Federal reserve agents at all Federal reserve banks, reading as follows:

"There is inclosed herewith for your information a copy of a letter received by the Federal Reserve Board from the Secretary of the Treasury with regard to the agreement entered into between the Secretary of the Treasury and each Federal reserve bank pursuant to the provisions of section 13b of the Federal Reserve Act and inclosing a copy of the Secretary's regulations issued pursuant to that section. Your attention is invited to the last paragraph of the inclosed letter with regard to compliance with section 3 of the regulations of the Secretary of the Treasury on this subject."

Letter to the Federal reserve agents at all Federal reserve banks, reading as follows:

"In the Board's letter of June 26, 1934, X-7936, the Federal Reserve Agents were advised that it would not be necessary to submit to the Board copies of reports of examination made under the provisions of Section 21 of the Banking Act of 1933.

"Several questions, however, have since arisen regarding examinations made in accordance with the provisions of Section 21 of the Banking Act of 1933 and it will be helpful to the Board to have copies of such reports available. It is requested, therefore, that copies of all such reports of examination made in the future be forwarded to the Board, together with your comments on the situation and any other pertinent data in connection therewith, such as copies or briefs of correspondence or memoranda relating to conferences with representatives of the institutions examined. Please forward also copies of reports of examination which have already been completed if such copies are available. If copies are not available, it will not be necessary to make an extra copy to be forwarded to the Board. In such cases, however, it will be appreciated if you will forward a brief analysis of each report, together with the other information referred to above."

Approved.

Letter dated October 2, 1934, approved by three members of the Board, to Mr. Case, Chairman of the Federal Reserve Bank of New York, reading as follows:

10/4/34

-8-

"The attention of the members of the Federal Reserve Board has been called to your letter of September 21, 1934, in which you state that the directors of your bank, in accordance with the request contained in the Board's letter of September 19, 1934, had suggested tentatively that a meeting with the Federal Reserve Board in Washington on October 9 or 10, 1934, or on some day other than Monday or Thursday during the week of October 15, 1934, would suit their convenience.

"As stated in the last paragraph of the Board's letter of September 19, 1934, when replies have been received from all Federal reserve banks as to when it will be convenient for the respective boards of directors to meet with the Federal Reserve Board, a schedule will be made up of dates for such meetings and you will be advised as to whether any of the dates suggested by your directors will also be convenient for the Board. Inasmuch as replies may not be received from some of the Federal reserve banks promptly, because of the fact that the boards of directors of the banks meet only once or twice a month, it is suggested that consideration be given by your board to the convenience of some date subsequent to the dates suggested in your letter.

"It is noted that you have written to the directors of your Buffalo Branch regarding their meeting with the Board and that you will communicate with us further upon receipt of a reply from them. While the Board's letter of September 19 did not state whether it was contemplated that branch directors should meet with the Board at the same time as the directors of the reserve banks or whether separate meetings should be held with branch directors, the Board believes that both head office and branch directors should meet jointly with the Board. This view is prompted largely by the desirability from a practical standpoint of holding twelve joint meetings as against thirty-seven separate meetings. Therefore, in the absence of compelling reasons to the contrary, the Board feels that it would be preferable for your board of directors and the directors of the Buffalo Branch to agree upon a date which will be mutually satisfactory."

Approved.

Telegram dated October 2, 1934, approved by three members of the Board, to the Federal reserve agents at all Federal reserve banks, except Boston, New York and Philadelphia, reading as follows:

"Supplementing Board's letter of September 19 relative to proposal that directors of reserve banks meet with Board here in Washington at some convenient time during each year, the Board believes that both head office and branch directors

10/4/34

-9-

"should meet jointly with the Board. This view is prompted largely by the desirability from a practical standpoint of holding twelve joint meetings as against thirty-seven separate meetings. Therefore, in the absence of compelling reasons to the contrary, the Board feels that it would be desirable for your directors and branch directors to agree upon a date which will be mutually satisfactory before submitting tentative dates for consideration in working out a schedule for such meetings."

Approved.

Letter dated October 2, 1934, approved by four members of the Board, to the chairmen of all Federal reserve banks, reading as follows:

"It has appeared in a few instances from correspondence and conversations that the Board's position on the matter of public addresses by responsible officers of Federal reserve banks has been misunderstood. The Board has imposed no general prohibition upon the making of speeches or addresses or talks by such officials. As was indicated to the Governors at their recent meeting in Washington, there have been two or three cases of members of the staffs of the Federal reserve banks who have indulged in publicity on controversial aspects of banking which involve the possibility of embarrassment to the system, but such cases have been taken up individually and directly with the Federal reserve banks concerned and the action thereon has not justified any misunderstanding of the Board's position on the general subject. There is attached for ready reference a copy of the Board's letter of April 18, 1932, on the subject 'Addresses on Banking and Credit', from which it will be noted that while the Board desired to be advised currently with regard to addresses on banking and credit made by persons connected with the Federal reserve system and that it be furnished with copies of all addresses on these subjects delivered by officers and employees of the Federal reserve banks, it was expressly stated that copies of such addresses need not be furnished to the Board in advance of their delivery although they should be sent to the Board promptly. This request was made so that the Board might be informed of what is being said and written and also be in position to assist in correcting misunderstandings that might result in serious consequences. This is the latest circular issued by the Board on this subject and therefore it should be clear that the Board has not required that addresses be approved in advance. While the Board desires to be informed fully as to the nature of talks or speeches which relate to matters in which the Federal reserve system is interested, it has not been the

10/4/34

-10-

"intention of the Board to undertake to edit the manuscripts in advance and the Board has advised officers of the Federal reserve banks that, when the nature of the occasion and the conditions under which a talk is made are such that it is not practical to prepare a manuscript in advance, it will meet the Board's desires if a resume of the remarks be sent as promptly as possible.

"The Board not only sees no objection to addresses or talks by Chairmen, Governors and other responsible officers of the Federal reserve banks when it is felt by the banks that they would be beneficial to the Federal reserve system but is of opinion that there are times and circumstances when it is desirable that there be activity of this character, especially when the subject of discussion is in the nature of an exposition and not a controversial one. Such a situation exists at this time with respect to the industrial loan activities of the Federal reserve banks, in connection with which it is the desire of the Board that every effort possible be made to carry out the purpose of the industrial loan act, and discussions of this subject should afford an opportunity to promote better understanding of the functions and services of the Federal reserve system and to enlist the cooperation of bankers generally in matters of common interest."

Approved.

Letter dated October 2, 1934, approved by three members of the Board, to all representatives of the Industrial Advisory Committees who attended the meeting in Washington on September 27, 1934, and also to Mr. Stuart L. Rawlings, Chairman of the Industrial Advisory Committee for the Twelfth Federal Reserve District. The letter read as follows:

"In accordance with the understanding had at the meeting of members of the Federal Reserve Board with the representatives of the Industrial Advisory Committees in Washington on September 27, 1934, there is attached a copy of a summary statement of that meeting. There is also attached a copy of the signed minutes of the meeting of the members of the Industrial Advisory Committees held during the afternoon of September 27, 1934. Four extra copies of these documents are also inclosed and it will be appreciated if you will hand these to the other members of your committee.

"The Federal Reserve Board has arranged to send directly to each member of the respective Industrial Advisory Committees in

10/4/34

-11-

"the twelve Federal reserve districts weekly, a summary statement of applications received and considered by the Industrial Advisory Committees and the Federal reserve banks. This is in conformity with the action taken during the afternoon meeting.

"In connection with the question of the unwillingness of banks to extend loans which would reduce the liquidity of their assets or which might be subject to criticism by administrative authorities, consideration is being given to the preparation of a statement which may be sent to all banks in accordance with the recommendation made by the members of the Industrial Advisory Committees that a definite announcement by proper officials on the standing of industrial loans be made immediately.

"It is reported on page 6 of the minutes of the meeting of the members of the Industrial Advisory Committees that the following resolution was unanimously adopted during the meeting:

"Although in our experience the attitude of officials of Federal reserve banks has at all times been a liberal one on the construction and interpretation of the law and the making of loans, we have been impressed today in our meetings by the very apparent desire of the Federal Reserve Board in Washington and the Federal reserve banks to handle all matters in connection with such loans in such a liberal manner that the maximum number of proper loans be made, with the least delay and expense to the borrower.

"We therefore pledge ourselves to use our best efforts to bring this about in our several districts."

"The Federal Reserve Board appreciates very much the spirit of cooperation evidenced by the above resolution and expresses the hope that the closer contact which has been created by the meeting in Washington will be continued."

Approved, together with a letter, also dated October 2, 1934, and approved by three members of the Board, to the Federal reserve agents and Governors of all Federal reserve banks, reading as follows:

"There are inclosed for your information a copy of a summary statement of the meeting in Washington on September 27, 1934 of members of the Federal Reserve Board with representatives of the Industrial Advisory Committees of the twelve Federal reserve districts and a copy of the minutes of the meeting of the members of the Industrial Advisory Committees held in Washington on the afternoon of that day. A copy of a letter being addressed by the Board today to each of the members of the Industrial Advisory Committees who attended the meetings above referred to is also

10/4/34

-12-

"inclosed.

"It will be noted from the summary record of the morning meeting that when the question was raised as to reimbursement of the members of the Industrial Advisory Committees for the time spent in performing their duties, the opinion was expressed by the representatives present that any suggestion in this regard should come from the Federal reserve banks. It will also be noted that Governor Calkins suggested that the law be amended to allow reimbursement for actual expenses and, in addition, per diem payments for the time spent by the members of the Industrial Advisory Committees in committee activities.

"The Federal Reserve Board will appreciate it if you will study this matter and submit to the Board for consideration, your recommendation with regard thereto."

Letter dated October 3, 1934, approved by three members of the Board, to Mr. Edgar M. Mayne, Vice-President of The Columbia Title Insurance Company, Washington, D. C., reading as follows:

"This refers to your letter of September 29, 1934, in which you advise that your title companies will examine the title to the property described in the Board's letter of September 28, 1934, and issue your report on the same as outlined in your letter of September 26, 1934, for a fee of \$540 provided the purchase price of said property does not exceed the total amount of \$90,000. It is also understood as a result of a telephone conversation between yourself and Mr. Vest, Assistant Counsel of the Federal Reserve Board, that in the event that the liability assumed by your companies in connection with this matter does not exceed \$90,000 the fee which you will charge will be only \$540 regardless of the amount of the purchase price of the property.

"You are advised that the Federal Reserve Board desires to have your title companies proceed to make an examination of the title to the entire areas described in the Board's letter of September 28, 1934, including any now existing streets and alleys within such areas, and to certify to the Board in whom the title to all the said property, as appears from the records in the District of Columbia, is vested upon completion of certain proceedings which have been commenced by the Commissioners of the District of Columbia for the closing of Eldredge Street and two alleys located in Square east of Square 88. In this connection it is understood that all the necessary work in connection with the examination and certificate of title will be commenced at once and will be completed by your companies prior to the completion of the proceedings for the closing of such street and alleys and that immediately upon completion of such proceedings a certificate stating who is the then record owner of all of the

10/4/34

-13-

"said property will be given to the Federal Reserve Board. It is understood and agreed that the maximum liability assumed by your companies for the examination and certificate of title in question will be \$90,000 and, therefore, it is understood that your fee will be \$540 and no more regardless of the amount of the purchase price of the said property.

"If in the course of the examination of the title to the property in question you should discover that there is any lien or encumbrance upon the property or other defect or imperfection in the title to the property, it will be appreciated if you will advise the Federal Reserve Board as to the facts of the matter without delay and without awaiting the rendering of the certificate of title.

"It is requested that you acknowledge receipt of this letter and confirm the Board's understanding of the arrangement as stated in this letter."

Approved.

Letter dated October 3, 1934, approved by three members of the Board, to Mr. O'Connor, Comptroller of the Currency, reading as follows:

"This refers to Mr. Gough's letter of September 4, 1934, regarding the classification as a savings deposit of an account maintained by the Town of Arvada, Colorado, with The First National Bank, Arvada, Colorado.

"It is understood that the account in question consists of funds set aside annually by the Town of Arvada as a sinking fund for the purpose of retiring certain bond issues of the Town of Arvada when they shall mature. It is also understood that the national bank examiner has taken the position that this account does not constitute a thrift account within the meaning of the Federal Reserve Board's Regulation Q and that the member bank has been so advised.

"After having carefully reviewed the facts, the Board sees no reason to differ from the conclusion reached by the examiner and feels that the account in question may not properly be classified as a savings deposit within the meaning of Regulation Q upon which interest may lawfully be paid.

"In this connection it is suggested that the Town of Arvada may wish to consider the possibility of converting the deposit in question into a time deposit as defined in Regulation Q which is payable more than thirty days after date or with respect to which thirty days' notice in writing of intended withdrawal is required. If this were done, of course, interest might be paid

10/4/34

-14-

"on the deposit in accordance with the provisions of the regulation."

Approved.

Letter dated October 3, 1934, approved by three members of the Board, to Mr. Austin, Federal Reserve Agent at the Federal Reserve Bank of Philadelphia, reading as follows:

"There are inclosed the original and copies of a Clayton Act permit granted to Mr. Robert A. Digel, Smethport, Pennsylvania, to serve at the same time as director of The First National Bank of Port Allegany, Port Allegany, Pennsylvania, and the Hamlin Bank and Trust Company, Smethport, Pennsylvania, for transmittal by you to Mr. Digel and the two banks, and a copy for your files.

"You are requested to inform Mr. Digel of the Board's favorable action on his application and, upon his qualification as a director of The First National Bank of Port Allegany, to forward the permit to him and the copies thereof to the banks."

Approved.

Letter dated October 3, 1934, approved by three members of the Board, to Mr. McClure, Federal Reserve Agent at the Federal Reserve Bank of Kansas City, reading as follows:

"There are inclosed the original and copies of a Clayton Act permit granted to Mr. Grover E. Totten, Denver, Colorado, to serve at the same time as director and officer of The Central Savings Bank and Trust Company, Denver, Colorado, and as director and officer of The First National Bank of Strasburg, Strasburg, Colorado.

"Inasmuch as Mr. Totten was not serving as director of The Central Savings Bank and Trust Company, Denver, Colorado, at the time his application was submitted, but desired that his application be passed on in anticipation of election, it is requested that you advise Mr. Totten of the Board's action, but withhold delivery of the permit and copies until such time as you are definitely advised that he has been elected a director.

"Please inform the Board concerning the disposition of this matter in order that its records may be complete."

Approved.

Letter dated October 3, 1934, approved by four members of the

10/4/34

-15-

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

"On July 30, 1934, the Board advised you that it had given consideration to the application of Mr. H. F. G. Wulf, Humboldt, Kansas, for permission under the provisions of the Clayton Act to serve at the same time as director and officer of the Humboldt National Bank, Humboldt, Kansas and as director and officer of The State Bank of Garden Plain, Garden Plain, Kansas, and upon the basis of the information before it held that the issuance of the permit applied for would be incompatible with the public interest. The Board's action upon the application was based upon the nature of the use which the applicant had made of the credit facilities of the Humboldt National Bank and the criticism of operating practices and policies as shown in the current report of examination of that bank. Subsequently, in accordance with Section V (g) of Regulation L, additional facts and arguments not appearing in his application and accompanying forms were submitted for the consideration of the Board.

"Based upon the additional facts and arguments presented and in accordance with your recommendation, the Board has approved the application of Mr. Wulf and there are inclosed the original and copies of a Clayton Act permit covering his service as director and officer of the Humboldt National Bank, Humboldt, Kansas, and as director and officer of The State Bank of Garden Plain, Garden Plain, Kansas, for transmittal by you to Mr. Wulf and the two banks, and a copy for your files."

Approved.

Letter dated October 3, 1934, approved by three members of the Board, to Mr. Walsh, Federal Reserve Agent at the Federal Reserve Bank of Dallas, reading as follows:

"There are inclosed the original and copies of a Clayton Act permit granted to Mr. J. K. Cain to serve at the same time as a director of The State National Bank of Robstown, Robstown, Texas, and as a director of the State National Bank of Corpus Christi, Corpus Christi, Texas, for transmittal by you to Mr. Cain and the two banks and a copy for your files. Inasmuch as Mr. Cain has informed you that he has resigned as a director of the Citizens Industrial Bank, Corpus Christi, Texas, his service with that bank has not been included in the permit.

"It has been noted from the letter of September 14, 1934, of Mr. W. H. Dainwood, president of The State National Bank of

10/4/34

-16-

"Robstown, to Assistant Federal Reserve Agent Hall, a copy of which was transmitted to the Board with your letter of September 17, 1934, that Mr. Cain has not attended any of the thirty-four meetings held by the directors of The State National Bank of Robstown during 1932, 1933, and 1934 to date. In granting the permit, the Board took into consideration the fact that the applicant has been a director of the Robstown Bank for several years; that he apparently is a man of considerable influence in the communities served by the two banks; that apparently the active officers of the Robstown bank confer with him from time to time concerning the bank's affairs; and that he has expressed to you his hope of attending often in the future the directors' meetings of The State National Bank of Robstown.

"The Board feels that a director should have a satisfactory record of discharging his duties and responsibilities by participating in the management and operations of a bank which he is serving through attendance at directors' meetings and it is suggested that you inform Mr. Cain that it is with the expectation that he will satisfactorily attend directors' meetings of both of these banks that the permit has been granted.

"The Board requests that, when you submit your recommendation as a result of your annual review of this permit, you report fully as to Mr. Cain's attendance at directors' meetings."

Approved.

Letter to Mr. Walsh, Federal Reserve Agent at the Federal Reserve Bank of Dallas, inclosing the following Clayton Act permit; suggesting that the agent advise the applicant that it is with the expectation that he will satisfactorily attend directors' meetings of the Fairfield State Bank that the permit has been granted; and requesting that, when the agent submits his recommendation as a result of his annual review of the permit, he report fully as to the applicant's attendance at directors' meetings:

Mr. C. H. Watson, for permission to serve at the same time as a director of The First National Bank of Streetman, Streetman, Texas, and as a director and officer of the Fairfield State Bank, Fairfield, Texas.

Approved.

10/4/34

-17-

Letters dated October 3, 1934, approved by three members of the Board, to applicants for permits under the Clayton Act, advising of approval of their applications as follows:

Mr. John J. Finn, for permission to serve at the same time as a director of The Park National Bank of Holyoke, Holyoke, Massachusetts, and as a director of The Morris Plan Company of Holyoke, Holyoke, Massachusetts.

Mr. George F. Tyler, for permission to serve at the same time as a director of The Philadelphia National Bank, Philadelphia, Pennsylvania, and as a director and officer of the Newtown Title and Trust Company, Newtown, Pennsylvania.

Mr. W. L. Bellows, for permission to serve at the same time as a director of the Bank of Lancaster, Kilmarnock, Virginia, and as a director of The Lancaster National Bank of Irvington, Irvington, Virginia.

Mr. C. H. Emery, for permission to serve at the same time as a director of The Citizens National Bank of Bedford, Bedford, Indiana, and as a director and officer of The Citizens Trust Company, Bedford, Indiana.

Mr. E. E. Farmer, for permission to serve at the same time as a director and officer of The Citizens National Bank of Bedford, Bedford, Indiana, and as a director of The Citizens Trust Company, Bedford, Indiana.

Mr. W. R. Martin, for permission to serve at the same time as a director of The Citizens National Bank of Bedford, Bedford, Indiana, and as a director and officer of The Citizens Trust Company, Bedford, Indiana.

Mr. A. C. Voris, for permission to serve at the same time as a director and officer of The Citizens National Bank of Bedford, Bedford, Indiana, and as a director and officer of The Citizens Trust Company, Bedford, Indiana.

Mr. John Kennedy, for permission to serve at the same time as a director and officer of The Citizens First National Bank of Pawhuska, Pawhuska, Oklahoma, and as a director and officer of the Barnsdall State Bank, Barnsdall, Oklahoma.

Mr. H. G. Wellensiek, for permission to serve at the same time as a director and officer of The Overland National Bank of Grand Island, Grand Island, Nebraska, and as a director of The First State Bank, Shelton, Nebraska.

10/4/34

-18-

Mr. Geo. B. Davis, for permission to serve at the same time as a director of The Security National Bank of Quanah, Quanah, Texas, and as a director and officer of The First National Bank of Eldorado, Eldorado, Oklahoma.

Mr. W. W. Jones, for permission to serve at the same time as a director of The Corpus Christi National Bank, Corpus Christi, Texas, as a director and officer of the Alice Bank and Trust Company, Alice, Texas, and as a director and officer of The First National Bank of Mission, Mission, Texas.

Mr. Richard King, for permission to serve at the same time as a director and officer of The Corpus Christi National Bank, Corpus Christi, Texas, and as a director of the San Antonio branch of the Federal Reserve Bank of Dallas, San Antonio, Texas.

Mr. W. C. Slaughter, for permission to serve at the same time as a director and officer of The Durant National Bank in Durant, Durant, Oklahoma, and as a director of The Atoka State Bank, Atoka, Oklahoma.

Mr. E. H. Leonard, for permission to serve at the same time as a director of The First National Bank of Waitsburg, Waitsburg, Washington, and as a director and officer of The First National Bank of Athena, Athena, Oregon.

Mr. W. G. Shuham, for permission to serve at the same time as a director and officer of The Baker-Boyer National Bank of Walla Walla, Walla Walla, Washington, and as a director and officer of The First National Bank of Waitsburg, Waitsburg, Washington.

Approved.

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

<u>Application for ORIGINAL Stock:</u>	<u>Shares</u>	
<u>District No. 7.</u>		
Farmers & Merchants National Bank of Rensselaer, Rensselaer, Indiana	36	36
<u>Applications for SURRENDER of Stock:</u>		
<u>District No. 2.</u>		
The Romulus National Bank, Romulus, New York	18	18

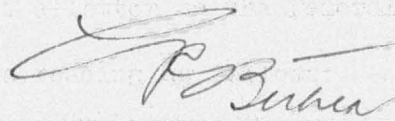
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-19-

<u>Applications for SURRENDER of Stock: (Continued)</u>		<u>Shares</u>	
<u>District No. 4.</u>			
The First National Bank of Braddock, Braddock, Pennsylvania	300		300
<u>District No. 5.</u>			
The First Huntington National Bank, Huntington, West Virginia	600		
The Second National Bank of Washington, Washington, D. C.	<u>90</u>		690
<u>District No. 6.</u>			
First National Bank of McDonough, McDonough, Georgia	6		6
<u>District No. 7.</u>			
The State National Bank of Petersburg, Petersburg, Illinois	65		
The Swedish American National Bank of Rockford, Rockford, Illinois	135		
Lincoln National Bank and Trust Company of Fort Wayne, Fort Wayne, Indiana	90		
The First State Bank of Wenona, Wenona, Illinois	9		
Wheaton Trust & Savings Bank, Wheaton, Illinois	9		
Eaton County Savings Bank, Charlotte, Michigan	57		
Utica State Savings Bank, Utica, Michigan	<u>45</u>		<u>410</u>
	<u>Total</u>		<u>1,424</u>

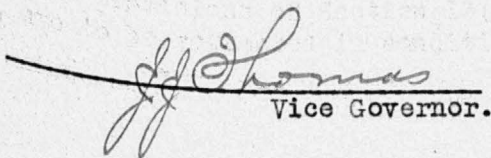
Approved.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Vice Governor.