

A meeting of the Federal Reserve Board was held in Washington on Thursday, December 13, 1934, at 2:45 p. m.

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

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

The Board acted upon the following matters:

Telegrams dated December 12, 1934, from Mr. Curtiss, Chairman of the Federal Reserve Bank of Boston, and December 13, 1934, from Mr. Hoxton, Chairman of the Federal Reserve Bank of Richmond, both 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 December 8, 1934, from Mr. Paulger, Chief of the Division of Examinations, recommending the temporary appointment, for a period of one month, of Miss Elizabeth Griffin as a stenographer in the division, with salary at the rate of \$120 a month, effective as of the date upon which she enters upon the performance of her duties.

Approved.

Memorandum dated December 10, 1934, from Mr. Paulger, Chief of the Division of Examinations, recommending the temporary appointment, for a period of one month, of Miss Evelyn E. Scott as a stenographer

12/13/34

-2-

in the division, with salary at the rate of \$105 a month, effective as of the date upon which she enters upon the performance of her duties.

Approved.

Memorandum dated December 10, 1934, from Mr. Morrill, Secretary, submitting the recommendation of Mr. Parry, Chief of the Division of Securities Loans, that the Board approve the appointment of Otto Harrison Branic as a messenger to be assigned to the division, with salary at the rate of \$840 per annum, effective as of the date upon which he enters upon the performance of his duties after having passed a satisfactory physical examination.

Approved.

Letter dated December 12, 1934, approved by five members of the Board, to Mr. Case, Federal Reserve Agent at the Federal Reserve Bank of New York, reading as follows:

"Reference is made to Mr. Gidney's letter of November 19, 1934, in reply to the Board's letter of October 23, 1934, regarding 'The Syracuse Trust Company', Syracuse, New York.

"While it is understood from Mr. Gidney's letter and inclosure that under the laws of the State of New York a trust company in that State may invest trust funds held by it in a participation in a mortgage bond owned by the trust company, and while, in view of such authorization in the State law, the trust company may be protected in the event of loss to the trust estate on account of any such investment, the Board feels that a bank should scrupulously refrain, even when permitted under the law, from dealing with itself in the investment of trust funds. In this connection the Statement of Principles of Trust Institutions which was incorporated in the Bankers' Code of Fair Competition has the following comments:

'It is a fundamental principle that a trustee should not have any personal financial interest, direct or indirect, in the trust investments, bought for or sold to the trusts

12/13/34

-3-

"of which it is trustee, and that it should not purchase for itself any securities or other property from any of its trusts. Accordingly, it follows that a trust institution should not buy for or sell to its estates or trusts any securities or other property in which it, or its affiliate, has any personal financial interest, and should not purchase for itself, or its affiliate, any securities or other property from its estates or trusts."

"It will be appreciated, therefore, if you will discuss with the trust company, in the light of the principles expressed above, the investment of trust funds in mortgage participations issued by the trust company, and advise the Board what action the trust company has taken or will take in the matter."

Approved.

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

"Re Young's letter November 23, 1934, regarding 'The Merchants Trust and Savings Company, of Muncie, Indiana', Board extends to June 18, 1935, time within which bank may comply with condition of membership numbered 21. Please advise the bank accordingly."

Approved.

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

"In accordance with your recommendation, the Federal Reserve Board approves a reduction in the common capital stock of 'The First National Bank in Tonkawa', Tonkawa, Oklahoma, from \$35,000 to \$25,000, pursuant to a plan which provides for the sale of \$25,000 of preferred stock to the Reconstruction Finance Corporation and for the use of the released capital, together with a voluntary contribution of \$10,000, in eliminating a corresponding amount of losses, doubtful assets, and securities depreciation, all as set forth in your memorandum of December 1, 1934.

"This approval supersedes the Board's approval dated July 27, 1934, of a previous plan of capital reduction of the bank."

Approved.

Telegram to Mr. Fletcher, Acting Federal Reserve Agent

12/13/34

-4-

at the Federal Reserve Bank of Cleveland, stating that the Board has given consideration to the application of the "Coraopolis Trust Company", Coraopolis, Pennsylvania, 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 Coraopolis National Bank", Coraopolis, Pennsylvania, and has authorized the issuance of a limited permit to the applicant, subject to the following conditions:

"(1) Prior to the issuance of the limited voting permit authorized herein,

"(1) the Federal Reserve Agent shall satisfy himself that each of the subsidiary banks of the applicant has charged off or otherwise eliminated, (a) all losses in loans and discounts, (b) all depreciation in stocks and defaulted securities, (c) all depreciation in securities not of the four highest grades as classified by a recognized investment service organization regularly engaged in the business of rating or grading securities and (d) all other losses; as shown by the latest available reports of examinations by the appropriate supervisory authorities, except that the charge-offs and eliminations required by (b) and (c) above may be based upon current appraisals of marketable securities satisfactory to the Federal Reserve Agent;

"(2) the Federal Reserve Agent shall satisfy himself that the applicant has substantially performed any agreement or agreements heretofore executed by it as a condition to the issuance of a limited voting permit by the Federal Reserve Board;

"(3) the Federal Reserve Agent and the Executive Committee of the Federal reserve bank shall approve the issuance of such permit.

"(2) Prior to the issuance of the limited permit authorized herein, applicant shall charge off or otherwise eliminate (a) all losses in loans and discounts, (b) all depreciation in stocks and defaulted securities, (c) all depreciation in securities not of the four highest grades as classified by a recognized investment service organization regularly engaged in the business of rating or grading securities, and (d) all other losses; as shown by the latest reports of examinations made by

12/13/34

-5-

"or satisfactory to the Federal Reserve Agent at the Federal Reserve Bank of Cleveland, except that the charge-offs and eliminations required by (b) and (c) above may be based upon current market values of readily marketable securities."

and for the following purposes:

"To elect directors of such bank at the annual meeting of shareholders, or at any adjournments thereof, at any time prior to April 1, 1935, and to act thereat upon such matters of a routine nature as are ordinarily acted upon at the annual meetings of such bank."

The telegram also authorized Mr. Fletcher to have prepared by counsel for the Federal reserve bank, and to issue to the Coraopolis Trust Company a limited voting permit in accordance with the telegram when the conditions prescribed therein have been complied with.

Approved.

Telegram to Mr. Fletcher, Acting Federal Reserve Agent at the Federal Reserve Bank of Cleveland, stating that the Board has given consideration to the application of the "Peoples-Pittsburgh Trust Company", Pittsburgh, Pennsylvania, 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 "First National Bank at Pittsburgh", Pittsburgh, Pennsylvania, and the "Dormont Savings & Trust Company", Dormont, Pennsylvania, and has authorized the issuance of a limited permit to the applicant, subject to the following conditions:

"(1) Prior to the issuance of the limited voting permit authorized herein,

"(1) the Federal Reserve Agent shall satisfy himself that each of the subsidiary banks of the applicant has charged off or otherwise eliminated, (a) all losses in loans

12/13/34

-6-

"and discounts, (b) all depreciation in stocks and defaulted securities, (c) all depreciation in securities not of the four highest grades as classified by a recognized investment service organization regularly engaged in the business of rating or grading securities and (d) all other losses; as shown by the latest available reports of examinations by the appropriate supervisory authorities, except that the charge-offs and eliminations required by (b) and (c) above may be based upon current appraisals of marketable securities satisfactory to the Federal Reserve Agent;

"(2) the Federal Reserve Agent shall satisfy himself that the applicant has substantially performed any agreement or agreements heretofore executed by it as a condition to the issuance of a limited voting permit by the Federal Reserve Board;

"(3) the Federal Reserve Agent and the Executive Committee of the Federal reserve bank shall approve the issuance of such permit.

"(2) Prior to the issuance of the permit authorized herein you shall satisfy yourself that the applicant has charged off or otherwise eliminated (a) all losses in loans and discounts, (b) all depreciation in stocks and defaulted securities, (c) all depreciation in securities not of the four highest grades as classified by a recognized investment service organization regularly engaged in the business of rating or grading securities, and (d) all other losses; as shown by the latest available report of examination by an examiner for the Federal Reserve Bank of Cleveland, except that the charge-offs and eliminations required by (b) and (c) above may be based upon current market values of readily marketable securities."

and for the following purposes:

"To elect directors of such banks at the annual meetings of shareholders, or at any adjournments thereof, at any time prior to April 1, 1935, and to act thereat upon such matters of a routine nature as are ordinarily acted upon at the annual meetings of such banks."

The telegram also authorized Mr. Fletcher to have prepared by counsel for the Federal reserve bank, and to issue to the Peoples-Pittsburgh Trust Company a limited voting permit in accordance with the telegram when the conditions prescribed therein have been complied with.

Approved.

12/13/34

-7-

Telegram dated December 12, 1934, approved by five members of the Board, to Mr. Hoxton, Federal Reserve Agent at the Federal Reserve Bank of Richmond, stating that the Board has given consideration to the application of "The Dominion Corporation", Charleston, West Virginia, 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 First National Bank of South Charleston", South Charleston, West Virginia, and has authorized the issuance of a limited permit to the applicant, subject to the following conditions:

"(1) Prior to the issuance of the limited voting permit authorized herein,

"(1) the Federal Reserve Agent shall satisfy himself that each of the subsidiary banks of the applicant has charged off or otherwise eliminated, (a) all losses in loans and discounts, (b) all depreciation in stocks and defaulted securities, (c) all depreciation in securities not of the four highest grades as classified by a recognized investment service organization regularly engaged in the business of rating or grading securities and (d) all other losses; as shown by the latest available reports of examinations by the appropriate supervisory authorities, except that the charge-offs and eliminations required by (b) and (c) above may be based upon current appraisals of marketable securities satisfactory to the Federal Reserve Agent;

"(2) the Federal Reserve Agent shall satisfy himself that the applicant has substantially performed any agreement or agreements heretofore executed by it as a condition to the issuance of a limited voting permit by the Federal Reserve Board;

"(3) the Federal Reserve Agent and the Executive Committee of the Federal reserve bank shall approve the issuance of such permit.

"(2) Prior to the issuance of the limited voting permit authorized herein, applicant shall deliver to you Exhibit L, F.R.B. Form P-3, executed by the Geary Land Company, and Exhibit N, F.R.B. Form P-4, executed by The Dominion Corporation and consented to by the Geary Land Company, both of which exhibits shall be in form satisfactory to counsel for the Federal Reserve Bank of Richmond."

12/13/34

-8-

and for the following purposes:

"To elect directors of such bank at the annual meeting of shareholders, or at any adjournments thereof, at any time prior to April 1, 1935, and to act thereat upon such matters of a routine nature as are ordinarily acted upon at the annual meetings of such bank."

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

Approved.

Letter to Mr. Crane, Deputy Governor of the Federal Reserve Bank of New York, reading as follows:

"Receipt is acknowledged of your letter of November 23, 1934, stating that you had received a letter from the Bank of England inquiring whether it would be agreeable to the Federal Reserve Bank of New York if the Bank of England, beginning January 1, 1935, charged its usual guarantee commission of one-eighth of one per cent per annum in respect to bankers acceptances bought for your account. It is noted that the purchases of sterling bills bought for your account by the Bank of England are the only instances at the present time in which the bank makes such purchases for foreign banks without charging a commission and that it desires to make such a charge against the Federal Reserve Bank of New York in order to remove the inconsistency with its general rule.

"In view of these circumstances and the practice of the Federal Reserve Bank of New York of charging the Bank of England a commission of one-eighth of one per cent with respect to bills bought for its account in this market, the Board notes with approval that you have written the Bank of England that it will be entirely agreeable for the Bank of England to charge, beginning January 1, 1935, a guarantee commission of one-eighth of one per cent per annum on bankers bills bought for your account.

"In this connection, the Federal Reserve Board has requested me to call your attention to the provisions of Section IV of the Board's Regulation N, Relations with Foreign Banks and Bankers, which read as follows:



12/13/34

-9-

"No Federal Reserve Bank shall hereafter enter into any agreement, contract, or understanding with any foreign bank or banker or with any group of foreign banks or bankers without first obtaining the permission of the Federal Reserve Board. When any Federal Reserve bank has entered into such an agreement, contract, or understanding with the consent of the Federal Reserve Board, any other Federal Reserve bank desiring to do so may participate in transactions pursuant to such agreement with the approval of the Federal Reserve Board."

Approved.

Letter dated December 12, 1934, approved by five member of the Board, to Mr. Case, Federal Reserve Agent at the Federal Reserve Bank of New York, reading as follows:

"Reference is made to the Clayton Act application of Mr. Charles M. Tait, Canton, New York, for permission to serve as director and officer of 'First National Bank in Gouverneur', as director of Bank of Gouverneur, both of Gouverneur, New York, and as director of 'The First National Bank of Canton', Canton, New York, which was not approved by the Board as indicated in its letter of September 8, 1934, to you, for the reason that First National Bank in Gouverneur and Bank of Gouverneur are in substantial competition.

"In its letter of September 8, 1934, the Board authorized you to inform Mr. Tait that, if he so desired, he might by letter amend his application to exclude one of the Gouverneur banks therefrom, and that upon receipt from him of such amendment, accompanied by appropriate evidence of the severance of his connections with the bank to be excluded from his application, the Board would give consideration to the amended application. In accordance therewith, Mr. Tait, in a letter dated October 18, 1934 to Assistant Federal Reserve Agent Dillistin, a copy of which was forwarded to the Board by Mr. Dillistin with his letter of October 22, 1934, requested permission to serve as director and officer of First National Bank in Gouverneur and as director of First National Bank of Gouverneur. stated that he was resigning as a director of Bank of Gouverneur.

"The Board has given consideration to Mr. Tait's request and Assistant Federal Reserve Agent Dillistin's favorable recommendation thereon; and has approved the application as amended. There are inclosed the original and copies of the permit granted to Mr. Tait to serve at the same time as director and officer of First National Bank in Gouverneur and as director of The First National Bank of Canton for transmittal by you to the applicant and the banks involved when you have satisfied yourself that Mr. Tait's

12/13/34

-10-

"resignation as director of Bank of Gouverneur has been formally accepted by the Board of Directors of that bank. There is also inclosed a copy of the permit for your files.

"Please advise the Board as to the effective date of Mr. Tait's resignation as director of Bank of Gouverneur, Gouverneur, New York, and as to the disposition of the permit."

Approved.

Letter to Mr. Austin, Federal Reserve Agent at the Federal Reserve Bank of Philadelphia, inclosing the following Clayton Act permit for transmittal to the applicant; suggesting that, when sending the permit to the applicant, the agent advise him that it has been granted with the expectation that he will attend regularly the meetings of the directors of The Halifax National Bank, Halifax, Pennsylvania; 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. George R. Bailey, for permission to serve at the same time as an officer of The Harrisburg National Bank, Harrisburg, Pennsylvania, as a director and officer of the Harrisburg Trust Company, Harrisburg, Pennsylvania, and as a director of The Halifax National Bank, Halifax, Pennsylvania.

Approved.

Letters to Mr. McAdams, Assistant Federal Reserve Agent at the Federal Reserve Bank of Kansas City, stating that the Board has reviewed the Clayton Act permits issued by it on November 26, 1928, and August 14, 1934, to Messrs. M. B. Holland, Denver, Colorado, and Bert L. McKenzie, Otis, Colorado, respectively, and that, upon the basis of the information before it, feels that the public interest requires revocation of the permits. The letters requested Mr. McAdams

12/13/34

-11-

to communicate to Messrs. Holland and McKenzie the Board's position in the matter and to advise the Board promptly as to whether they desire to submit any additional data, and, if not, as to what steps they propose to take in order to comply with the Board's decision and to bring their relationships into conformity with the provisions of the Clayton Act. The respective letters also stated that Mr. McAdams, if he deems its advisable or necessary, is authorized to inform Mr. Holland that the Board's action was based largely upon the fact that he apparently was responsible to a considerable extent for misrepresentation of the ownership of a portion of the capital stock of The First National Bank of Wray, Colorado, and The First National Bank of Otis, Colorado, which has resulted in the banks having operated without properly qualified directorates, and to inform Mr. McKenzie that the Board's action was based upon the fact that, according to the report of examination of The First National Bank of Wray, Colorado, as of September 5, 1934, he does not actually own any of the capital stock of that institution, and therefore, is not qualified to serve as its director.

Approved, together with a letter  
to Mr. O'Connor, Comptroller of the  
Currency, reading as follows:

"On November 26, 1928, the Board granted permission under the provisions of the Clayton Antitrust Act to Mr. M. B. Holland, Denver, Colorado, to serve at the same time as director of The First National Bank of Lincoln, Lincoln, Nebraska, as director and officer of The First National Bank of Wray, Wray, Colorado, and as director and officer of The First National Bank of Otis, Otis, Colorado; and on August 14, 1934, the Board granted a Clayton Act permit to Mr. Bert L. McKenzie, Otis, Colorado, to serve at the same time as director and officer of The First National Bank of Otis, Otis, Colorado, and as director of The First National Bank of Wray, Wray, Colorado.

"Subsequently, Federal Reserve Agent McClure at the

12/13/34

-12-

"Federal Reserve Bank of Kansas City in a letter dated October 5, 1934, informed the Board that the report of examination of The First National Bank of Wray, Colorado, indicates that Mr. McKenzie has never owned any stock in that bank, Cashier Hilbert finally admitting to the examiner after considerable checking of old records that he and Mr. McKenzie never had owned a single share of stock in the bank. In this connection, the report of examination contains the following comments:

'Within the last month or so, Director Bert L. McKenzie of Otis, Colorado, who is also cashier and director of the First National Bank of Otis, Colorado, which is another Holland bank, has been granted permission by the Federal Reserve Board to serve at the same time as director and officer of the Otis bank and Wray bank. This permission has been obtained through misrepresentation on the part of both McKenzie and President Holland and should be cancelled henceforth.'

"The examiner also stated that it was discovered that the bank for the past several years, and in all likelihood for at least ten years, has been operating with but three qualified directors.

"Mr. McClure further informed the Board that the report of examination of The First National Bank of Otis, Otis, Colorado, as of September 10, 1934, indicates that Jennie Fackrel, assistant cashier of the bank and listed as a director, has never owned any stock in that bank. The report of examination contains the following comments with respect to this matter:

'The same misrepresentation in regard to a qualified board of directors has been discovered in this bank at this examination, as in the First National Bank of Wray, Colorado, which is also a bank that M. B. Holland dictates the operating policies in. Apparently on the instructions of President Holland, Cashier McKenzie has always stated to examiner that none of the directors in the subject bank were disqualified as far as he knew.'

"In view of the above stated facts the Board has advised Assistant Federal Reserve Agent McAdams at Kansas City to inform Messrs. Holland and McKenzie that it feels that the public interest requires revocation of the permits heretofore issued to them and that in accordance with Section V (i) of Regulation L, the Board will afford them an opportunity to be heard in the matter of revoking the existing permits in order that they may present any facts which they feel should be brought to the Board's attention before a final decision is made. In this connection Mr. McAdams has been requested to advise the Board promptly as to whether Messrs. Holland and McKenzie desire to submit any additional data, and, if not, as to what steps they propose to take in order to comply with the Board's decision and to bring their relationships into conformity with the provisions of the

12/13/34

-13-

"Clayton Act.

"The Board's action on these cases is called to your attention merely for your information in connection with any consideration which your office might desire to give as to whether proceedings should be instituted under the provisions of Section 30 of the Banking Act of 1933, with respect to Messrs. M. B. Holland and Bert L. McKenzie; and for such other action as you deem necessary or advisable in the premises."

Letter to Mr. Sargent, Assistant Federal Reserve Agent at the Federal Reserve Bank of San Francisco, reading as follows:

"There are inclosed the original and copies of a Clayton Act permit granted to Mr. B. W. Hughes, Reardan, Washington, to serve at the same time as director and officer of 'The First National Bank of Reardan', Reardan, Washington, 'The First National Bank of Medical Lake', Medical Lake, Washington, and Creston State Bank, Creston, Washington; and to Mr. O. H. Greene, Seattle, Washington, to serve at the same time as director and officer of 'The First National Bank of Ritzville', Ritzville, Washington, and as director and officer of 'The First National Bank of Lind', Lind, Washington.

"In the consideration of these applications, it was noted that the three banks served by Mr. Hughes and The First National Bank of Ritzville, served by Mr. Greene, are in process of being converted into branches of The Old National Bank and Union Trust Company of Spokane, Spokane, Washington. In the event that such reorganization plans are completed it appears that the Clayton Act status of Messrs. Hughes and Greene may be such as to render unnecessary the issuance of Clayton Act permits to these individuals. Please investigate this matter and in the event that permits are still necessary, you are authorized to deliver the permit to Mr. Hughes and the copies of his permit to the banks he is serving, but the permit issued to Mr. Greene should not be delivered until the matters hereinafter described have been considered.

"With respect to the application of Mr. Greene it was noted that he is serving as director and officer of Greene Investment Company, Ritzville, Washington, which was reported to be in the business of 'real estate holdings'. While the Board does not have detailed information with respect to the character of the business conducted by this company, 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. Greene with respect to the provisions of Section 32.

"It was also noted that in reply to question 12, F.R.B. Form 94a, The First National Bank of Lind stated: 'The Lind Investment Co. is an affiliate of this bank, the stock is all owned by the stockholders of this bank, they handle paper for the bank at times.' Inasmuch as Mr. Greene apparently is not connected with

12/13/34

-14-

"the Lind Investment Co., no violation of Section 8A or Section 32 is indicated in this connection. It is not known, however, whether the Lind Investment Co. is engaged in the business described in Section 20 of the Banking Act of 1933. If it is, its relationship with The First National Bank of Lind apparently constitutes a violation of that section.

"If you find that Mr. Greene's service with the member banks included in his application and the Greene Investment Company comes within the provisions of Section 32, you are requested to advise him of the requirements of that section and as to the procedure for making 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 this case, the Board, upon receipt of full information, will be glad to rule on the matter.

"If it is ascertained that the relationship existing between The First National Bank of Lind and the Lind Investment Co. is not in violation of Section 20 of the Banking Act of 1933, that the provisions of Section 32 are not applicable to Mr. Greene and that the permit is still required, you are authorized to deliver the Clayton Act permit to Mr. Greene and copies to the banks involved; but the permit should not be delivered until it has been determined that Mr. Greene's services to the member banks and the Greene Investment Company do not come within the provisions of Section 32 or that his services have been brought into conformity with that section and that Section 20 of the Banking Act of 1933 is not violated in the relationship existing between the First National Bank of Lind and the Lind Investment Co. Upon the completion of the conversion program now contemplated by The Old National Bank and Union Trust Company of Spokane, please advise the Board as to the then existing status of Messrs. Hughes and Greene with respect to the provisions of the Clayton Act. Please also advise as to the status of Mr. Greene with respect to the provisions of Section 32 of the Banking Act of 1933 and as to whether the relationship in apparent violation of Section 20 of the Banking Act of 1933 referred to above has been found not to constitute a violation of that section or, if so, has been brought into conformity therewith.

"It was further noted that, although Mr. Greene attended over 50% of the meetings held by the directors of The First National Bank of Lind during the past two years and it was stated in your report that he apparently keeps in close touch with the affairs of The First National Bank of Ritzville, and his influence is believed to be helpful, he attended only ten of the thirty-six meetings held by the directors of The First National Bank of Ritzville during the past two years. 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, including attendance at directors' meetings, and it is suggested

12/13/34

-15-

"that in the event the permit is delivered to Mr. Greene, you advise him that it is with the expectation that he will improve his attendance at directors' meetings 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. Greene's attendance at directors' meetings."

Approved.

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

<u>Application for ADDITIONAL Stock:</u>	<u>Shares</u>	
<u>District No. 9.</u> Oakley State Bank, Buffalo, Minnesota.	6	6
<u>Applications for SURRENDER of Stock:</u>		
<u>District No. 1.</u> Second National Bank of Barre, Barre, Massachusetts	30	
North Brookfield National Bank, North Brookfield, Massachusetts	30	
Spencer National Bank, Spencer, Massachusetts	84	
Worcester County National Bank of Worcester, Worcester, Massachusetts.	<u>2,757</u>	2,901
<u>District No. 7.</u> Alpena Savings Bank, Alpena, Michigan	<u>216</u>	<u>216</u>
	Total	3,117

Approved.

Thereupon the meeting adjourned.

Robert Morley  
Secretary.

Approved:

W. S. ...  
Governor.