

A meeting of the Federal Reserve Board was held in Washington on Wednesday, January 2, 1935, at 11:30 a. m.

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

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

Reference was made to the letters addressed by the chairmen of the respective district committees to the Federal Reserve Agents at the Federal Reserve Banks of Boston, New York, Philadelphia, Richmond, Atlanta, Chicago, St. Louis, Minneapolis and Dallas, tendering to the Federal Reserve Agents at New York and Dallas, reappointment as Class C director and redesignation as Chairman and Federal Reserve Agent beginning January 1, 1935, and to the other seven agents, redesignation as Chairman and Federal Reserve Agent beginning January 1, 1935, with the understanding that the appointments and designations would be terminable at any time at the pleasure of the Federal Reserve Board. Reference was also made to the replies received from the Federal Reserve agents stating in each case that the appointment and/or designation would be accepted upon that condition.

Accordingly, the following actions were taken with the understanding that the appointments and designations are terminable at any time at the pleasure of the Federal Reserve Board:

Mr. Frederic H. Curtiss was redesignated Chairman of the board of directors of the Federal Reserve Bank of Boston and Federal Reserve Agent for the year 1935.

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Mr. J. H. Case was reappointed a Class C director of the Federal Reserve Bank of New York for a term of three years beginning January 1, 1935, and redesignated Chairman of the board of directors of the bank and Federal Reserve Agent for the year 1935.

Mr. R. L. Austin was redesignated Chairman of the board of directors of the Federal Reserve Bank of Philadelphia and Federal Reserve Agent for the year 1935.

Mr. Wm. W. Hoxton was redesignated Chairman of the board of directors of the Federal Reserve Bank of Richmond and Federal Reserve Agent for the year 1935.

Mr. Oscar Newton was redesignated Chairman of the board of directors of the Federal Reserve Bank of Atlanta and Federal Reserve Agent for the year 1935.

Mr. Eugene M. Stevens was redesignated Chairman of the board of directors of the Federal Reserve Bank of Chicago and Federal Reserve Agent for the year 1935.

Mr. John S. Wood was redesignated Chairman of the board of directors of the Federal Reserve Bank of St. Louis and Federal Reserve Agent for the year 1935.

Mr. J. N. Peyton was redesignated Chairman of the board of directors of the Federal Reserve Bank of Minneapolis and Federal Reserve Agent for the year 1935.

Mr. C. C. Walsh was reappointed a Class C director of the Federal Reserve Bank of Dallas for a term of three years beginning January 1, 1935, and redesignated Chairman of the board of directors of the bank and Federal Reserve Agent for the year 1935.

In accordance with recommendations received from the respective Federal reserve agents, the following reappointments were approved for the year 1935, except that in the case of certain acting assistant Federal reserve agents, the reappointments were approved on a temporary basis:

Boston	Edward H. Osgood	Assistant Federal Reserve Agent
	Charles F. Gettemy	" " " "
	William D. McRae	" " " "
New York	Ray M. Gidney	Assistant Federal Reserve Agent
	William H. Dillistin	" " " "
	Herbert S. Downs	" " " "
	Harold V. Roelse	" " " "
Philadelphia	Arthur E. Post	Assistant Federal Reserve Agent

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	Ernest C. Hill	Assistant Federal Reserve Agent
	J. Frank Rehfuss	Acting Assistant Federal Reserve Agent
	Zell G. Fenner	Acting Assistant Federal Reserve Agent
Richmond	J. G. Fry	Assistant Federal Reserve Agent
	R. L. Shepherd	Acting Assistant Federal Reserve Agent
	L. A. Anderson	Acting Assistant Federal Reserve Agent, Baltimore branch (temporary)
	Charles E. Francis	Acting Assistant Federal Reserve Agent, Charlotte branch (temporary)
Atlanta	L. M. Clark	Assistant Federal Reserve Agent
	J. R. McCravey, Jr.	Acting Assistant Federal Reserve Agent at the Atlanta bank or at any of its branches
Chicago	C. S. Young	Assistant Federal Reserve Agent
	George A. Prugh	" " " "
	John H. Martin	Assistant Federal Reserve Agent, Detroit branch
	Carl Schelling	To act for Federal Reserve Agent in the receipt and delivery of Federal reserve notes
St. Louis	C. M. Stewart	Assistant Federal Reserve Agent
	William E. Peterson	Acting Assistant Federal Reserve Agent
	Frank S. Parker	Acting Assistant Federal Reserve Agent
	L. A. Moore	Acting Assistant Federal Reserve Agent, Louisville branch (temporary)
	L. T. Walker	Acting Assistant Federal Reserve Agent, Memphis branch (temporary)
	J. P. Goldschmid	Acting Assistant Federal Reserve Agent, Little Rock branch (temporary)
Minneapolis	F. M. Bailey	Assistant Federal Reserve Agent
	E. W. Swanson	" " " "
	O. S. Powell	To act as alternate for the Federal Reserve Agent and Assistant Federal Reserve Agents when necessary in the receipt and issue of Federal reserve notes and as representative of Federal Reserve Agent in handling gold coin and gold certificates and in making wire transfers of gold.

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Dallas	C. C. Hall	Assistant Federal Reserve Agent
	W. J. Evans	" " " "
	G. M. Allen	Acting Assistant Federal Reserve Agent, El Paso branch (temporary)
	D. S. Lawhon	Acting Assistant Federal Reserve Agent, Houston branch (temporary)
	C. P. Gowland	Acting Assistant Federal Reserve Agent, San Antonio branch (temporary)

Mr. Thomas referred to the discussion at the meeting on December 28, 1934, with regard to the appointment of a director of the Helena branch of the Federal Reserve Bank of Minneapolis to succeed Mr. W. P. Sullivan, and he stated that he had ascertained that the Eddy Bakeries of Helena, Montana, of which Mr. J. E. O'Connell, Class B director of the Minneapolis bank, is President, is a local concern and is not affiliated with any organization outside of the Federal reserve district.

Mr. O'Connell was appointed a director of the Helena branch of the Federal Reserve Bank of Minneapolis for the year 1935.

The Board then acted upon the following matters:

Telegram dated January 2, 1935, from Mr. Austin, Chairman of the Federal Reserve Bank of Philadelphia, advising that, at a meeting of the board of directors today, no change was made in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Telegraphic reply to a telegram dated January 2, 1935, from Mr. Wood, Chairman of the Federal Reserve Bank of St. Louis, stating that the board of directors of the bank, at its meeting today, voted to establish a rediscount rate of 2% on rediscounts of eligible paper for member banks and advances to member banks under the provisions of

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sections 13 and 13(a) of the Federal Reserve Act, as amended, effective the first business day following that on which approved by the Federal Reserve Board. The reply stated that the Board approved for the Federal Reserve Bank of St. Louis a rediscount rate of 2%, effective January 3, 1935.

Approved.

Telegram dated December 31, 1934, approved by six members of the Board, to Mr. Fletcher, Acting Federal Reserve Agent at the Federal Reserve Bank of Cleveland, reading as follows:

"Federal Reserve Board approves continuance of term of appointment of J. B. Anderson and Howard Evans as Assistant Federal Reserve Agents at your bank during year 1935 and also continuance of term of temporary appointment of W. H. Nolte and R. G. Johnson as Acting Assistant Federal Reserve Agents at your Pittsburgh and Cincinnati branches, respectively. Board also approves your continuance as Acting Federal Reserve Agent in accordance with arrangement of November 28, 1934."

Approved.

Telegram dated December 31, 1934, approved by six members of the Board, to Mr. McAdams, Assistant Federal Reserve Agent at the Federal Reserve Bank of Kansas City, reading as follows:

"Federal Reserve Board approves continuance of term of your appointment and that of N. R. Oberwortmann as Assistant Federal Reserve Agents at the Federal Reserve Bank of Kansas City and of H. H. Rhodes as Acting Assistant Federal Reserve Agent at your bank during year 1935. Board also approves continuance of term of temporary appointment of T. Gordon Sanders, Judd W. Jones and J. C. Clark, Jr., as Acting Assistant Federal Reserve Agents at your Omaha, Denver and Oklahoma City branches respectively."

Approved.

Telegram dated December 31, 1934, approved by six members of the Board, to Mr. Sargent, Assistant Federal Reserve Agent at the Federal Reserve Bank of San Francisco, reading as follows:

"Federal Reserve Board approves continuance of term of

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"your appointment and that of Oliver P. Wheeler as Assistant Federal Reserve Agents at Federal Reserve Bank of San Francisco during year 1935. Board also approves continuance of term of temporary appointment of Henry D. Swengel as Acting Assistant Federal Reserve Agent at your Los Angeles Branch and of G. A. Snow as Acting Assistant Federal Reserve Agent at your Portland Branch with authority to act also in capacity of Acting Assistant Federal Reserve Agent at Seattle and Spokane Branches."

Approved.

Telegram to Mr. Case, Federal Reserve Agent at the Federal Reserve Bank of New York, authorizing him, subject to the conditions prescribed in the telegram, to issue a limited voting permit to the "Clifton Trust Company", Clifton, New Jersey, entitling such organization to vote the stock which it owns or controls in "The First National Bank of Clifton", Clifton, New Jersey, for the purposes set forth in the telegram. The telegram stated also that if the charge offs or eliminations required under the conditions referred to above necessitate a reduction of the common capital stock of The First National Bank of Clifton, consideration will be given to the issuance of an additional limited voting permit necessary for the voting of the applicant's stock of the bank for that purpose, when a plan, which has been approved by the Comptroller of the Currency and which is satisfactory to the agent, has been submitted to the Federal Reserve Board.

Approved.

Telegram to Mr. Sargent, Assistant Federal Reserve Agent at the Federal Reserve Bank of San Francisco, authorizing him,

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subject to the conditions prescribed in the telegram, to issue a limited voting permit to the "First Security Corporation of Ogden", Ogden, Utah, entitling such organization to vote, for the purposes set forth in the telegram, the stock which it owns or controls in the following banks:

"First National Bank of Salt Lake City", Salt Lake City, Utah,
"First Security Bank of Utah, National Association", Ogden,
Utah,
"First Security Bank of Idaho", Boise, Idaho.

Approved.

Telegram to Mr. Sargent, Assistant Federal Reserve Agent at the Federal Reserve Bank of San Francisco, authorizing him, subject to the conditions prescribed in the telegram, to issue a limited voting permit to the "Yakima Holding Corporation", Yakima, Washington, entitling such organization to vote the stock which it owns or controls in the "Yakima First National Bank", Yakima, Washington, and "The First National Bank of Wapato", Wapato, Washington, for the purposes set forth in the telegram. The telegram also stated that the authorization contained in the Board's ANCIGAR telegram dated December 20, 1934, regarding the Yakima Holding Corporation is canceled.

Approved.

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

"There is inclosed, for your information, copy of a letter dated December 14, 1934, addressed to the Federal Reserve

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"Board by Deputy Governor Fleming of the Federal Reserve Bank of Cleveland, outlining the procedure followed by the Federal reserve bank in handling applications for industrial advances under the provisions of Section 13b of the Federal Reserve Act.

"The Board feels that the procedure outlined by Mr. Fleming is substantially in accord with the views expressed by the Board in its letter dated November 1, 1934 (X-9006), with reference to the exercise of independent judgment by the respective industrial advisory committees."

Approved.

Letter dated December 31, 1934, approved by six members of the Board, to the Secretary of the Treasury, reading as follows:

"This refers to the letter dated August 14, 1934, addressed to you by Governor Black of the Federal Reserve Board advising that the Board has accepted your offer to sell 'Squares E-87 and E-88 facing Constitution Avenue, between 20th and 21st Streets, Northwest, for a sum equal to the purchase price paid by the Government for the property sold plus interest on the same at the average rate paid each year by the Treasury on its outstanding obligations, for the period from the date of the acquisition of the property by the Government to the date of its acquisition by the Board * * * '.

"A draft of a proposed quitclaim deed to be executed by the Secretary of the Treasury in conveying the property in question to the Federal Reserve Board has been prepared in your department and informally submitted to the Board for consideration, together with a computation of the amount of the purchase price to be paid by the Board for the property under the agreement as stated in Governor Black's letter above mentioned. As calculated by the Treasury, the purchase price paid by the Government for the property was \$515,541.41 and the total interest chargeable up to November 15, 1934, was \$235,986.36, thus making an aggregate price to the Board as of that date of \$751,527.77, with an additional interest charge of \$44.9297869 for each day after that date until the conveyance of the property to the Board.

"The description of the property to be conveyed in Square East of 87 as contained in the form of deed informally submitted by your department to the Board includes the following words: 'together with all right, title and interest of the United States in and to all property comprising the said Square East of 87 and not embraced within the above metes and bounds'. A similar clause is included in describing the

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"property in Square East of 88. It is understood, however, that the property which is not embraced within the metes and bounds set out in the description in the deed is intended to be reserved by the United States for street or parking purposes. In the circumstances it would seem that the clause above quoted, with respect both to the property in Square East of 87 and that in Square East of 88, should be omitted from the deed. In this connection there are inclosed copies of letters received by the Board from the National Park Service and from the National Capital Park and Planning Commission with regard to this matter. There is inclosed herewith a draft of the proposed quitclaim deed from which there has been deleted the above quoted provision and in which one or two other changes of lesser importance have been made.

"You are advised that the Federal Reserve Board is now prepared to accept a deed to the property in question in the form inclosed herewith and to pay upon the execution and delivery of such deed the purchase price in the amount above stated as calculated by the Treasury.

"It is understood that the building which is located on the property in question is now occupied by certain Government organizations and that it is not practicable for it to be vacated immediately. The Board will offer no objection to the continued occupancy of the building by the organizations now occupying it for a reasonable time after the conveyance of the property to the Board pending the completion of arrangements for the removal of such organizations to other quarters, with the understanding, however, that during such time and until the Board shall obtain complete possession of the building the Federal Reserve Board will be under no obligation in this connection to provide or furnish heat, light, water, materials, supplies, equipment or services of any kind whatever or to maintain the premises in good repair or tenantable condition and will be under no other obligation or liability arising out of the occupancy of the building by the organizations in question. In this connection it is assumed that the agencies of the United States now having such duties and responsibilities with respect to the building will continue in the performance thereof until complete possession of the building and premises is given to the Board. It will be appreciated, however, if you will advise whether the Board's understanding in this matter is correct. In this connection, the Federal Reserve Board is preparing to announce at an early date a program of competition for the selection of an architect for its building and upon the selection of an architect as a result of such competition will wish to be in a position to enter upon the property for the purpose of arranging for the commencing of construction.

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"The Federal Reserve Board has also addressed a letter to the Secretary of the Interior requesting that a quitclaim deed be executed by the Director of the National Park Service covering the property in question and a copy of the letter is inclosed herewith.

"It will be greatly appreciated if you will arrange to have this matter consummated at an early date."

Approved, together with a letter, also dated December 31, 1934, and approved by six members of the Board, to the Secretary of the Interior, reading as follows:

"A copy of your letter of August 31, 1934, addressed to the Secretary of the Treasury has been transmitted to the Federal Reserve Board by the Treasury Department. In this letter you advised that the Secretary of the Interior has no authority to dispose of the site to be purchased by the Federal Reserve Board from the Government and you can see no reason for his joining in executing with the Secretary of the Treasury a quitclaim deed to it, but that if it should be determined that the Secretary of the Interior should execute such a deed in order to avoid any possible question as to the validity of the conveyance, you would be glad to do so.

"You are advised that, after consideration of this matter in the light of the letter addressed by you to the Secretary of the Treasury, the Federal Reserve Board prefers to have, in addition to the deed from the Secretary of the Treasury, a quitclaim deed also from the Department of the Interior with respect to the property north of Constitution Avenue between 20th and 21st streets, northwest, in Washington, D. C., which the Federal Reserve Board is purchasing from the Government. In view of the provisions of Executive Order of the President No. 6166 of June 10, 1933 and of the Act of Congress approved March 2, 1934, (Public 109, 73d Congress), it would appear that such quitclaim deed should be executed by the National Park Service through the agency of the Director of such service.

"There is inclosed herewith a draft of a proposed quitclaim deed which may be used for this purpose. If the deed is not in form satisfactory to your department, the Board will be glad to have its counsel discuss with your legal division any changes which may be proposed.

"It will be appreciated if you will arrange to have such quitclaim deed executed and delivered to the Federal Reserve Board simultaneously with or as soon as possible after the

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"execution and delivery to the Federal Reserve Board by the Secretary of the Treasury of a quitclaim deed to this property. There is inclosed herewith for your information a copy of the letter which the Federal Reserve Board is addressing to the Secretary of the Treasury with reference to this matter together with a copy of a form of deed prepared for execution by the Secretary of the Treasury in this connection."

Telegram to Governor Norris of the Federal Reserve Bank of Philadelphia, reading as follows:

"In accordance with request contained in your telegram of this date, Board authorizes your bank to charge off \$250,000 on bank building as of December 31, 1934 in order to reduce book value of building to approximate appraisal value."

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. 10.</u>		
American National Bank in Wetumka, Wetumka, Oklahoma	33	33
<u>District No. 12.</u>		
The Valley National Bank of Phoenix, Phoenix, Arizona	1,050	1,050
	<u>Total</u>	<u>1,083</u>
<u>Applications for ADDITIONAL Stock:</u>		
<u>District No. 5.</u>		
The First National Bank of Asheboro, Asheboro, North Carolina	18	
The First National Bank of Galax, Galax, Virginia	15	
The First National Bank of Albright, Albright, West Virginia	<u>15</u>	48
<u>District No. 10.</u>		
First National Bank in Loveland, Loveland, Colorado	30	
The First National Bank of Hugoton, Hugoton, Kansas	1	
The Farmers National Bank of Stafford, Stafford, Kansas	<u>6</u>	37

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<u>Applications for ADDITIONAL Stock: (Continued)</u>		<u>Shares</u>	
<u>District No. 12.</u>			
First National Bank in Reno, Reno, Nevada	30		30
	<u>Total</u>		<u>115</u>
<u>Applications for SURRENDER of Stock:</u>			
<u>District No. 4.</u>			
The Philson National Bank of Berlin, Berlin, Pennsylvania	73		
The Commercial Bank Company, Celina, Ohio	15		
The Tipp-Citizens National Bank of Tippecanoe City, Tippecanoe City, Ohio	<u>60</u>		148
<u>District No. 9.</u>			
The First National Bank of Marble, Marble, Minnesota	24		24
<u>District No. 10.</u>			
St. Joseph Stock Yards Bank, South St. Joseph, Missouri	300		300
<u>District No. 12.</u>			
First National Bank in Oakland, Oakland, California	360		
Walker Bank and Trust Company, Salt Lake City, Utah	90		450
	<u>Total</u>		<u>952</u>

Approved.

Thereupon the meeting adjourned.

Chester Morill
Secretary.

Approved:

W. S. ...
Governor.