A meeting of the Federal Reserve Board was held in Washington on Wednesday, January 30, 1935, at 12:00 o'clock noon.

PRESENT: Mr. Eccles, Governor
Mr. Thomas, Vice Governor
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Szymczak
Mr. Morrill, Secretary
Mr. Lethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary

The Board acted upon the following matters:

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

"Reference is made to your letter of January 11, 1935, inclosing a copy of a resolution adopted on December 21, 1934, by the board of directors of 'The First State Bank of Chester', Chester, Illinois, which was admitted to membership in the Federal Reserve System on April 14, 1933.

The conditions prescribed in connection with the bank's application for membership did not include a condition regarding the maintenance of an adequate amount of capital or surplus. The resolution adopted by the directors of the bank accepting the conditions of membership, however, also included the following statement:

'It is also understood and agreed that on or before January 1, 1935, if the ratio of average deposits to capital stock of said bank exceeds ten to one, it will increase its capital stock in an amount sufficient to establish a ratio of ten to one or less between its average deposits and capital.'

"By its action on December 21, 1934, the directors of The First State Bank of Chester agreed to accept, in lieu of the agreement voluntarily adopted on April 11, 1933, referred to above, the standard condition numbered 15 which had been prescribed for some time regarding the maintenance of an adequate amount of capital and surplus.

"It would be desirable to have the revised standard conditions of membership observed by all State member banks; but your attention is invited to the fact that, under the law, the
Board is authorized to prescribe conditions of membership only at the time a bank is admitted to membership and has no right to require State banks to accept new conditions subsequent to their admission to membership. It is doubtful, therefore, that the voluntary acceptance of the additional condition of membership by the First State Bank of Chester has any legal effect.

A question of policy is also involved in asking a State member bank to accept conditions subsequent to admission to membership, and in this connection a copy of the Board's letter dated May 5, 1934, to the Federal Reserve Agent at Philadelphia is inclosed for your information.

The latest available information regarding the adequacy of the bank's capital to support the deposit liabilities is the condition report as of December 31, 1934, which report shows capital stock of $50,000 and surplus of $35,000, with no reserves for losses and only a nominal amount of undivided profits, as compared with deposits of $916,700. The latest report of examination, as of February 19, 1934, is too old to be of much assistance in determining whether the bank's capital structure as reported represents sound capital, unthreatened by losses or depreciation in assets existing at this time. A capital and surplus of $85,000, however, even though it is intact, does not provide a ratio of one to ten. It is suggested, therefore, that, if you have not already done so, you discuss with the management the desirability of increasing the bank's capital structure in order to provide a more satisfactory ratio of capital to deposits.

In order to obviate the possibility of creating an impression that member banks are being required to accept and comply with new conditions of membership, it is believed that the matter should be approached from the standpoint of compliance with the original agreement and as a matter of sound banking policy rather than from the standpoint of compliance with the condition of membership recently accepted by the bank.

In order to comply with the provisions of the condition of membership which required that certain eliminations be made without decreasing or impairing the bank's capital of $50,000 and surplus of $25,000, and without reducing its reserves for contingencies below $25,000, a voluntary contribution of $18,000 was made. From the report of earnings and dividends for the period ending December 31, 1933, it appears, however, that within a few months after the admission of the bank to membership the contribution of $18,000 was returned to the contributors. It will be appreciated, therefore, if you will advise the Board as to the circumstances in this connection and whether, in view of the subsequent return of the contribution, thereby reducing the reserves below the amount stipulated in the condition of membership, the bank actually complied with the condition.

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

"Relet January 21 relative proposed examinations of banks affiliated with 'Corporation of the President of the Church of Jesus Christ of Latter-Day Saints'. Suggest proceed with examination 'Utah Savings & Trust Company' as arranged making such examinations of the affairs of all affiliates of such bank as shall be necessary to disclose fully relations between such bank and its affiliates and effect of such relations upon affairs of such bank as required by law. From information available to Board it does not appear that Corporation of President is an 'affiliate' of Utah Savings & Trust Company as defined in Section 2(h) of Banking Act of 1933. Accordingly, it would not appear that your examiners are required by provisions of section 9 of Federal Reserve Act regarding examinations of affiliates to examine Corporation of President in connection with examination of State member bank. Pending possible amendment to provisions of law regarding holding company affiliate status of organizations not principally engaged in business of holding bank stocks or managing banks, consideration of issuance of general voting permit to Corporation of President will be deferred, and accordingly it is suggested that no examination of Corporation of President in connection with its application for a voting permit be made at this time."

Approved.

Letter to Mr. Walter Lichtenstein, Secretary of the Federal Advisory Council, reading as follows:

"Reference is made to your letter of January 19, 1935, including a list of the members of the Federal Advisory Council for the current year, and to your telegram of January 29, 1935, confirming the understanding that the next meeting of the Federal Advisory Council will be held on February 19-20, 1935, instead of February 15-19, the dates originally fixed. "The Federal Reserve Board will be pleased to meet with the Council on Tuesday, February 19, at 11:15 a. m., and you will be advised in due course of any topics which the Board desires the Council to discuss at its next meeting."

Approved.

Letter dated January 29, 1935, approved by five members of the Board, to Mr. McAdams, Assistant Federal Reserve Agent at the
Federal Reserve Bank of Kansas City, reading as follows:

"This refers to your letter dated January 17, 1935, in which you request an opinion on the question whether, under the recent amendment to the Board's Regulation Q reducing the rate of interest payable by member banks on time deposits from 3 per cent per annum to 2\(\frac{1}{2}\) per cent per annum, member banks of the Federal Reserve System may continue to pay interest at the rate of 3 per cent per annum to maturity on certificates of deposit and other time deposit contracts entered into in good faith prior to December 18, 1934, and maturing after January 31, 1935.

"It is understood that you desire to be advised concerning the payment of interest upon such certificates of deposit and other time deposit contracts which contain the printed or stamped clause 'the rate of interest payable hereunder is subject to change by the bank to such extent as may be necessary to comply with requirements of the Federal Reserve Board made from time to time pursuant to the Federal Reserve Act', and as to certificates of deposit and other time deposit contracts which do not contain such a qualifying clause.

"Under Regulation Q, Series of 1935, if a certificate of deposit or other time deposit contract was entered into in good faith prior to December 18, 1934, was in force on that date, and otherwise obligated the member bank to pay interest thereon at the rate of 3 per cent per annum until maturity, the fact that the above notation or a similar notation appeared on the certificate of deposit or other time deposit contract, would not require a reduction in the rate of interest paid thereon after January 31, 1935. Interest accruing on such a certificate of deposit or other time deposit contract between January 31, 1935 and its maturity may be paid at the original rate of 3 per cent per annum, and need not be reduced to the rate of 2\(\frac{1}{2}\) per cent per annum, whether or not the clause mentioned above appears thereon.

"You will understand, however, that such certificates of deposit or other time deposit contracts may not be renewed or extended at a rate of interest in excess of 2\(\frac{1}{2}\) per cent per annum."

Approved.

Memorandum dated January 25, 1935, from Mr. Vest, Assistant Counsel, recommending the publication in the next issue of the Federal Reserve Bulletin of the statements attached to the memorandum with regard to the Board's recent rulings as to (a) payment of
1/30/35

Interest at 3 per cent per annum after January 31, 1935, until maturity on time deposit contracts entered into prior to December 18, 1934, and (b) whether amounts due to and from private bankers may be considered as amounts due to and from "other banks" in computing reserves under section 19 of Federal Reserve Act.

Approved.

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

"Issuance of pamphlet on industrial loans in form enclosed with your letter of January 25 approved by Board."

Approved.

Letter dated January 29, 1935, approved by five members of the Board, to the Federal reserve agents at all Federal reserve banks, reading as follows:

"It has been suggested to the Federal Reserve Board by Mr. H. S. Yohe, In Charge, Administration United States Warehouse Act, of the Department of Agriculture, that in some instances banks are not complying with the requirements of the Federal Reserve Board's Regulation A with respect to bankers' acceptances and particularly with the requirement that such acceptances be secured 'at the time of acceptance by a warehouse, terminal, or other similar receipt * * * issued by a party independent of the customer * * *'.

In view of this suggestion, the Board requested the Subcommittee of the General Committee on Bankers' Acceptances of the Governors Conference to express its views as to the advisability and practicability of investigating the collateral supporting bankers' acceptances in order to determine whether it complies with the requirements of the law and the regulations.

After considering the matter in the light of the views which have been expressed by the Subcommittee, the Federal Reserve Board requests that you arrange to have your examiners, in
"making examinations of State member banks which are engaged in accepting drafts or bills of exchange, to ascertain in so far as practicable whether such banks are complying with the requirements of the law and of the regulations of the Federal Reserve Board with regard to bankers' acceptances and to call attention in their reports to cases in which there has been a failure to observe the requirements in substantial particulars."

"This matter is also being brought to the attention of the Comptroller of the Currency with the suggestion that he request his examiners to take like action in making examinations of national banks."

Approved, together with a letter, also dated January 29, 1935, and approved by five members of the Board, to Mr. O'Connor, Comptroller of the Currency, reading as follows:

"It has been suggested to the Federal Reserve Board by Mr. H. S. Yohe, In Charge, Administration United States Warehouse Act, of the Department of Agriculture, that in some instances banks are not complying with the requirements of the Federal Reserve Board's Regulation A with respect to bankers' acceptances and particularly with the requirement that such acceptances be secured 'at the time of acceptance by a warehouse, terminal, or other similar receipt * * * issued by a party independent of the customer * * *'.

"In view of this suggestion, the Federal Reserve Board has requested the Federal Reserve Agent at each Federal Reserve bank to arrange to have his examiners, in making examinations of State member banks which are engaged in accepting drafts or bills of exchange, to ascertain in so far as practicable whether such banks are complying with the requirements of the law and of the regulations of the Federal Reserve Board with regard to bankers' acceptances and to call attention in their reports to cases in which there has been a failure to observe the requirements in substantial particulars. In the circumstances, the Federal Reserve Board is bringing this matter to your attention with the suggestion that you request your examiners to take like action in making examinations of national banks which are engaged in the issuance of bankers' acceptances. Your assistance in this matter will be appreciated."

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

"This refers to your telegram dated January 14, 1935 which reads as follows: 'Mercantile Securities Company reported as an affiliate of American Trust Company is not
"Engaged in business and has no stock issued or outstanding its charter being kept intact to maintain and control title. Is it necessary in the circumstances to publish report filed in connection with banks report of condition."

"In accordance with its previous rulings upon this question, the Board is of the opinion that the law requires publication of a report of an affiliate under the above circumstances. The published report may, however, include a statement that the affiliate is inactive."

Approved.

Memorandum dated January 14, 1935, from Mr. Cherry, Assistant Counsel, stating that, in view of the circumstances set forth in the memorandum, the Board may wish to recommend to Congress an amendment to the Federal Reserve Act which would require the surrender and cancelation of Federal reserve bank stock upon the reduction by a member bank of its surplus. The memorandum also submitted a draft of a letter to Mr. Fletcher, Acting Federal Reserve Agent at the Federal Reserve Bank of Cleveland, reading as follows:

"This refers to former Federal Reserve Agent L. B. Williams' letter of September 4, 1934, in which he discussed the matter of member banks which hold an amount of Federal reserve bank stock which is in excess of six per centum of their paid-up capital and surplus and suggested that consideration be given to whatever legal authority is necessary in order that member banks holding more than the required amount of Federal reserve bank stock will be required to surrender such excess. The excess Federal reserve bank stock referred to by Mr. Williams represents the amount of Federal reserve bank stock which has not been surrendered by member banks on account of reductions of their surpluses.

"As you know, section II of the Board's Regulation I provides that, when a member bank reduces the amount of its surplus, it is not required to, but may at its option, file an application for the surrender and the cancelation of Federal reserve bank stock. This provision of the regulation has been in effect since 1923. Also, in its letter of November 1, 1923, (X-3974), the Board expressed the opinion that there is no provision of law which requires the surrender of capital stock of..."
"A Federal reserve bank upon a reduction of surplus by a member bank and that, therefore, member banks may retain such excess stock or surrender it at their option. In the circumstances, the Board does not feel that it should, at this time, make a requirement that member banks which reduce their surplus should surrender a corresponding amount of Federal reserve bank stock in the absence of an appropriate amendment to the Federal Reserve Act.

"The Board will consider the advisability of recommending such an amendment at an appropriate time."

The letter to Mr. Fletcher was approved and it was understood that an amendment along the lines suggested in the memorandum would be included in the proposed legislative program.

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

"Referring to last paragraph of Board's letter B-1047 of December 26, please also compile and mail or telegraph in time to reach Board on Friday, if practicable, a statement showing the amount of each item of United States Government obligations, direct and/or fully guaranteed, as reported in Schedule F of December 31, 1934, condition reports of member banks."

Approved.

Letter to Mr. McKay, Deputy Governor of the Federal Reserve Bank of Chicago, reading as follows:

"Referring to your letter of January 10, except for voluntary contributions by a member in excess of the contributions he is required to make under the rules and regulations of the Retirement System, the maximum annuity under the regular cash refund plan that may be granted under authority given in the Board's letter X-9061, of December 26, 1934, is $30 per annum for each year's service not exceeding 16 years. In other words, the additional contributions to be made by the bank for this purpose are to increase, to not exceeding $30 per annum for each year of service up to 16 years, the annuity to which an employee would be entitled on the basis of required contributions made by him and the contributions made by the bank on his behalf."

Approved.

Letter to Mr. O'Connor, Comptroller of the Currency, reading
Please accept our thanks for your letter of January 17, 1935, inclosing a copy of a circular letter issued by you to all national banks involving an interpretation of paragraph 'Seventh' of Section 5156 of the Revised Statutes with respect to the limitation on the amount of investment securities of any one obligor which may be purchased or held by national banks.

'It is believed that it would be desirable to publish a copy of your circular letter on this subject in the Federal Reserve Bulletin and it will be appreciated if you will advise whether you have any objection to such publication.'

Approved.

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

'Receipt is acknowledged of your letter of January 18, 1935 with which you submitted further information in connection with the request of Mr. Carlton P. Fuller for a ruling as to the applicability of section 32 of the Banking Act of 1933 to his service as an officer and director of J. Henry Schroder Trust Company, New York, New York, and as director of Foreign Light & Power Corporation.

'In its letter of November 2, 1934 the Board stated that, on the basis of the information which had been submitted, it appeared that Foreign Light & Power Corporation was not 'engaged primarily in the business of purchasing, selling or negotiating securities' within the intendment of section 32, but stated, in this connection, that no information had been submitted regarding the activities of the corporation in purchasing, selling or distributing its own stock or other securities.

'The additional information submitted with your letter of January 16, 1935 relates to this latter question. It appears that no stock or other securities of the corporation have been issued for public distribution since its stock was originally issued in September 1928, and none of its stock or other securities have been sold by it during that time, with the exception of approximately 4 per cent of its common stock which was resold during the year ending June 30, 1934 after having been repurchased under the circumstances described below.

'It also appears that during the past three years the corporation has purchased, for retirement, approximately 30 per cent of its outstanding preferred stock. Some of this stock was purchased in the open market, and, since trading in
"such stock has customarily been in units consisting of one share of preferred stock and one share of common stock, the corporation thus acquired certain shares of its common stock. As the corporation had intended to acquire only preferred stock, these common shares were then resold, as stated above. It appears that no other securities of the corporation have been sold by it during the past three years.

"Upon consideration of the above additional information, the Board is still of the opinion that section 32 of the Banking Act of 1933 is not applicable to the relationships referred to in the first paragraph of this letter."

Approved.

Letter to Mr. Fletcher, Acting Federal Reserve Agent at the Federal Reserve Bank of Cleveland, stating that the Board has reconsidered the following Clayton Act application and has issued a permit for the period ending January 14, 1936:

Mr. H. C. Winslow, for permission to serve at the same time as a director of the First National Bank of Meadville, Meadville, Pennsylvania, and as a director and officer of The Farmers National Bank of Conneautville, Conneautville, Pennsylvania, for the period ending January 14, 1936.

Approved.

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

"There are inclosed the originals and copies of Clayton Act permits issued to Mr. W. D. Truesdale, Chicago, Illinois, Mr. George E. Benson, Youngstown, Ohio, and to Mr. Charles M. Reed, East Chicago, Indiana, covering their services as directors of The First National Bank in East Chicago and The Union National Bank of Indiana Harber at East Chicago, both of East Chicago, Indiana, for the period ending January 14, 1936. You are requested to forward the permits to the applicants and copies to the banks involved, retaining copies for your files, subject, however, to the conditions hereinafter stated.

"Mr. George E. Benson reports (Form 94, item 12) that he is serving as treasurer of the Youngstown Corporation, Youngstown, Ohio, which is described as a 'Holding Co. for Investments', and Mr. W. D. Truesdale reports that he is serving as director
and treasurer of the 100% owned subsidiaries of the Inland Steel Company. While the Board does not have detailed information with respect to the character of the business of the Youngstown Corporation or the subsidiaries of the Inland Steel Company, it appears possible that the provisions of Section 32 of the Banking Act of 1933 are applicable to these two individuals. Therefore, the Board requests that you make such investigation as is necessary to determine the status of Messrs. Benson and Truesdale with respect to the provisions of Section 32.

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

"If you find that the services of Messrs. Benson and Truesdale come within the provisions of Section 32, you are requested to advise them of the requirements of that section and as to the procedure in making formal application for Section 32 permits. If, upon consideration of all the facts involved, with the advice of your counsel, you are unable to determine to your satisfaction the applicability of Section 32 in the case of these individuals, the Board, upon receipt of full information, will be glad to rule on the matter. In any event, the Clayton Act permits should not be delivered to Messrs. Benson and Truesdale until it has been determined that their services do not come within the provisions of Section 32 or that their services have been brought into conformity with the requirements of that section. Please advise the Board of the action taken in this matter.

"It was also noted that Mr. Truesdale states (F.R.B. Form 94, item 13) that the Inland Steel Company has in the past made call loans secured by collateral and may have occasion to do this at some later period. Of course, if the corporation should make loans secured by stock or bond collateral, Mr. Truesdale's service as director and treasurer of the corporation and as director of the national banks would be in violation of Section 3A of the Clayton Act, and it is suggested that, if you deliver the inclosed permit to him, you call this matter to his particular attention.

"It was also noted that Mr. Charles M. Reed is serving as a director and secretary of First Bond and Mortgage Company, East Chicago, Indiana, which is described as 'not active'. It is requested that you advise Mr. Reed of the provisions of Section 32 and inform him that it will be necessary for him to file an application for a Section 32 permit if the First Bond and Mortgage Company should engage in operations of a kind contemplated by the provisions of Section 32.

"When the permits are sent to the applicants and copies
"to the banks involved, please advise them that the permits have been issued so as to expire at the close of January 14, 1936, as it is the purpose of the Board to recommend the enactment of legislation by the Congress at this session clarifying and otherwise amending the provisions of the Clayton Act relating to interlocking bank directorates."

Approved.

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

"The Board has reconsidered the applications of Mr. Lawrence Taylor, Jackson, Tennessee, for permission under the provisions of the Clayton Act to serve at the same time as director of The First National Bank of Jackson, as director and officer of the Jackson Bank & Trust Company, and as director of The National Bank of Commerce of Jackson, all of Jackson, Tennessee, and of Mr. William Holland, Jackson, Tennessee, to serve at the same time as director and officer of The National Bank of Commerce of Jackson and as director of The Second National Bank of Jackson, both of Jackson, Tennessee, and, upon the basis of the information before it, feels that the issuance of the permits applied for would be incompatible with the public interest.

"It appears that the two national banks involved in each of the applications are engaged in the same class or classes of business and are so located as to be in a position to compete substantially. In this connection reference is made to the Board's letter of January 9, 1935, (X-9082). You are requested to advise the applicants accordingly.

"Please ascertain and advise as to what steps Messrs. Taylor and Holland propose to take in order to comply with the provisions of the Clayton Act.

"You are authorized to inform Mr. Taylor that, since the Jackson Bank & Trust Company is not in substantial competition with the national banks, he may, if he so desires, amend his application by letter to exclude therefrom one of the two national banks, and that upon receipt from him of such amendment, accompanied by appropriate evidence of the severance of his connections with the national bank which is to be excluded from the application, the Board will give consideration to such amended application. The amendment, and any additional information submitted by Mr. Taylor in connection therewith should, of course, be transmitted to you and should be forwarded to the Board with your recommendation."

Approved.
Letter to Mr. Wood, Federal Reserve Agent at the Federal Reserve Bank of St. Louis, stating that the Board has given consideration to the following application for a permit under the Clayton Act, and that, upon the basis of the information before it, concurs in the agent's opinion that the issuance of the permit applied for would be incompatible with the public interest:

Mr. F. J. Young, for permission to serve at the same time as a director of The First National Bank of Jackson, Jackson, Tennessee, and as a director of The Second National Bank of Jackson, Jackson, Tennessee.

The letter also requested the agent to communicate to the applicant the Board's position in the matter, and to advise the Board promptly as to whether the applicant desires to submit any additional data, and, if not, as to what steps he proposes to take in order to comply with the provisions of the Clayton Act.

Approved.

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

"Reference is made to the Board's letter of January 7 and your letter of January 16, 1935, with inclosure, concerning the Clayton Act permits heretofore issued by the Board to Mr. J. J. DeLay, Norfolk, Nebraska, and Mr. A. R. Olson, Beresford, South Dakota, to serve at the same time as directors and officers of The DeLay National Bank of Norfolk, Norfolk, Nebraska, and The First National Bank of Beresford, Beresford, South Dakota.

"For your information and files there is inclosed a copy of a letter dated January 9, 1935, from Federal Reserve Agent Peyton at Minneapolis relative to this matter.

"In view of the information contained in your letter of January 18, 1935 and District Chief National Bank Examiner Wright's letter of January 16, 1935, to you, the Board will not at this time give consideration to the question of revoking the permits heretofore issued to Messrs. DeLay and Olson. Federal Reserve Agent Peyton at Minneapolis and the Comptroller of
"the Currency are also being advised to this effect and the Comptroller is being requested to advise the Board further with respect to this matter upon a review of the next report of examination made of The DeLay National Bank of Norfolk if in his opinion the facts indicated by such review at that time warrant further consideration being given to the question of revoking the permits now held by Messrs. DeLay and Olson.

"It will be appreciated if you will continue to bear this matter in mind and advise the Board with respect to any facts in connection therewith coming to your attention which might not be available to Mr. Peyton and which you feel might throw further light on the situation."

Approved.

Letter to Mr. Walsh, Federal Reserve Agent at the Federal Reserve Bank of Dallas, transmitting the following Clayton Act Permit and stating that before delivering the permit the agent is requested to determine definitely that the First National Company, which Mr. Barry serves as secretary and treasurer, does not make loans secured by stock or bond collateral or that the practice has been discontinued and will not be resumed:

Mr. W. L. Barry, for permission to serve at the same time as a director and officer of The First National Bank of Marshall, Marshall, Texas, and as a director and officer of the First State Bank of Harleton, Harleton, Texas, for the period ending January 14, 1936.

Approved.

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 Clayton Act permits granted to Mr. E. G. Bennett, Ogden, Utah, to serve at the same time as director and officer of First Security Bank of Idaho, Boise, Idaho, First Security Bank of Utah, National Association, Ogden, Utah, and First National
"Bank of Salt Lake City, Salt Lake City, Utah, and to Mr. M. A. Browning, Ogden, Utah, to serve as director of First Security Bank of Utah, National Association of Ogden and First National Bank of Salt Lake City, for the period ending January 14, 1936.

"In the consideration of these applications it was noted that Messrs. Bennett and Browning are serving as directors and/or officers of J. E. & K. S. Browning Company, First Security Corporation of Ogden, and First Security Company, all of Ogden, Utah; that Mr. Browning is also serving as director of Ogden Land Company; and that, although Messrs. Bennett and Browning stated in their applications that, other than the banks involved, the concerns served by them did not make loans on stock or bond collateral, information submitted with the voting permit application of First Security Corporation of Ogden indicated that the assets of the First Security Company included loans secured by stock or bond collateral. The Board is also advised that the companies mentioned are not security dealers within the meaning of Section 32 of the Banking Act of 1933, and in view of the statements made by the applicants, it is assumed that the above mentioned concerns do not now make loans secured by stock or bond collateral. However, it is requested that when you forward the inclosed permits to Messrs. Bennett and Browning you advise them that, if any of the above mentioned companies should make loans on stock or bond collateral, they would be serving the national banks involved in their applications in violation of the provisions of Section 6A of the Clayton Act, regardless of the issuance of the inclosed permits. In this connection, your attention is directed to the permit granted June 15, 1934, to Mr. George S. Eccles to serve at the same time as director and officer of First Security Bank of Utah, National Association, as director and officer of First National Bank of Salt Lake City, and as director of First Security Bank of Idaho, who it now appears is also serving the following companies:

First Security Corporation of Ogden, Ogden, Utah
First Security Company, Ogden, Utah
Eccles Investment Company, Boise, Idaho
Western Investment Company, Boise, Idaho
Franklin Investment Company, Boise, Idaho.

It will be appreciated if you will direct Mr. Eccles' attention to the provisions of Section 6A of the Clayton Act so that he may be fully advised as to the possibility of their application to the companies served by him. The Board understands that no violation of the provisions of Section 32 of the Banking Act of 1933 is involved, but, if any of these companies should make loans secured by stock or bond collateral, Mr. Eccles' services with the national banks included in his
"permit would be in violation of the provisions of Section 8A of the Clayton Act, irrespective of the permit heretofore issued to him.

"Please forward to the Board for the completion of the files copies of the letters written to Messrs. Bennett, Browning, and Eccles in this connection.

"In transmitting the permits to Messrs. Bennett and Browning and copies thereof to the banks involved, please advise them that the permits have been issued so as to expire at the close of January 14, 1936, as it is the purpose of the Board to recommend the enactment of legislation by the Congress at this session clarifying and otherwise amending the provisions of the Clayton Act relating to interlocking bank directorates."

Approved.

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

Mr. Homer Gage, for permission to serve at the same time as a director of The First National Bank of Boston, Boston, Massachusetts, and as a director of the Worcester County Trust Company, Worcester, Massachusetts, for the period ending January 14, 1936.

Mr. Norman B. Potter, for permission to serve at the same time as a director of The Northborough National Bank, Northborough, Massachusetts, and as an officer of the Worcester County Trust Company, Worcester, Massachusetts, for the period ending January 14, 1936.

Mr. John C. Robinson, for permission to serve at the same time as a director of the West Springfield Trust Company, West Springfield, Massachusetts, and as a director of The Third National Bank and Trust Company of Springfield, Springfield, Massachusetts, for the period ending January 14, 1936.

Mr. John F. Tinsley, for permission to serve at the same time as a director of The Second National Bank of Boston, Boston, Massachusetts, as a director of the Worcester County Trust Company, Worcester, Massachusetts, and as a director of the Worcester Morris Plan Company, Worcester, Massachusetts, for the period ending January 14, 1936.

Mr. George F. Baker, for permission to serve at the same time as a director and officer of The First National Bank of the
City of New York, New York, New York, and as a trustee of the
United States Trust Company of New York, New York, New York,
for the period ending January 14, 1936.

Mr. Richard R. Hunter, for permission to serve at the same
time as an officer of The Chase National Bank of the City of
New York, New York, New York, as a director of The Chase Bank,
New York, New York, and as a director and officer of the Caleb
Heathcote Trust Company of Scarsdale, Scarsdale, New York, for
the period ending January 14, 1936.

Mr. W. Ernest Brown, for permission to serve at the same
time as a director of The First National Bank of Le Raysville, Le
Raysville, Pennsylvania, and as a director of the Peoples State
Bank, Wyalusing, Pennsylvania, for the period ending January
14, 1936.

Mr. T. Howard Duckett, for permission to serve at the same
time as a director and officer of the Prince Georges Bank & Trust
Company, Hyattsville, Maryland, as a director and employee of
The Silver Spring National Bank, Silver Spring, Maryland, and
as a director and employee of the Takoma Park Bank, Takoma Park,
Maryland, for the period ending January 14, 1936.

Mr. H. W. Turnage, for permission to serve at the same time as
an officer of the Takoma Park Bank, Takoma Park, Maryland, and
as an officer of The Silver Spring National Bank, Silver Spring,
Maryland, for the period ending January 14, 1936.

Mr. C. I. Johnston, for permission to serve at the same time as
a director of The First National Bank of Narrows, Narrows,
Virginia, and as a director of the Princeton Bank & Trust Com-
pany, Princeton, West Virginia, for the period ending January
14, 1936.

Mr. Philip Liberman, for permission to serve at the same time as
a director and officer of the Mercantile National Bank of
Miami Beach, Miami Beach, Florida, and as a director and officer
of the First National Bank of Homestead, Homestead, Florida,
for the period ending January 14, 1936.

Mr. Harry I. Lipton, for permission to serve at the same time as
a director of the Mercantile National Bank of Miami Beach,
Miami Beach, Florida, and as a director of the First National
Bank of Homestead, Homestead, Florida, for the period ending
January 14, 1936.

Mr. Sheldon Clark, for permission to serve at the same time as
a director of The First National Bank in East Chicago, East Chicago, Indiana, and as a director of The Union National Bank of Indiana Harbor at East Chicago, East Chicago, Indiana, for the period ending January 14, 1936.

Mr. Thomas Drever, for permission to serve at the same time as a director of The First National Bank in East Chicago, East Chicago, Indiana, and as a director of The Union National Bank of Indiana Harbor at East Chicago, East Chicago, Indiana, for the period ending January 14, 1936.

Mr. Sam Laud, for permission to serve at the same time as a director of The First National Bank in East Chicago, East Chicago, Indiana, and as a director of The Union National Bank of Indiana Harbor at East Chicago, East Chicago, Indiana, for the period ending January 14, 1936.

Mr. Charles Lindmueller, for permission to serve at the same time as a director of The First National Bank in East Chicago, East Chicago, Indiana, and as a director of The Union National Bank of Indiana Harbor at East Chicago, East Chicago, Indiana, for the period ending January 14, 1936.

Mr. J. T. Osler, for permission to serve at the same time as a director of The First National Bank in East Chicago, East Chicago, Indiana, and as a director of The Union National Bank of Indiana Harbor at East Chicago, East Chicago, Indiana, for the period ending January 14, 1936.

Mr. Walter J. Riley, for permission to serve at the same time as a director and officer of The First National Bank in East Chicago, East Chicago, Indiana, and as a director and officer of The Union National Bank of Indiana Harbor at East Chicago, East Chicago, Indiana, for the period ending January 14, 1936.

Mr. E. L. Stock, for permission to serve at the same time as an officer of The First National Bank in East Chicago, East Chicago, Indiana, and as an officer of The Union National Bank of Indiana Harbor at East Chicago, East Chicago, Indiana, for the period ending January 14, 1936.

Mr. Charles H. True, for permission to serve at the same time as a director of The First National Bank in East Chicago, East Chicago, Indiana, and as a director of The Union National Bank of Indiana Harbor at East Chicago, East Chicago, Indiana, for the period ending January 14, 1936.

Mr. C. A. Westberg, for permission to serve at the same time as a director and officer of The First National Bank in East Chicago,
East Chicago, Indiana, and as a director and officer of The
Union National Bank of Indiana Harbor at East Chicago, East
Chicago, Indiana, for the period ending January 14, 1936.

Mr. W. R. Thompson, for permission to serve at the same time
as a director and officer of the Thompson Savings Bank, Hudson,
Michigan, and as a director and officer of The First National
Bank of Saint John, St. John, Kansas, for the period ending
January 14, 1936.

Mr. T. V. Ashby, for permission to serve at the same time as
a director of The First National Bank of Jackson, Jackson,
Tennessee, and as a director and officer of the Jackson Bank
& Trust Company, Jackson, Tennessee, for the period ending
January 14, 1936.

Mr. C. E. Castle, for permission to serve at the same time as
a director of The First National Bank of Jackson, Jackson,
Tennessee, and as a director and officer of the Jackson Bank
& Trust Company, Jackson, Tennessee, for the period ending
January 14, 1936.

Mr. S. Albert Phillips, for permission to serve at the same time
as an officer of The First National Bank of Louisville,
Louisville, Kentucky, as a director of The First National Bank
of Nicholasville, Nicholasville, Kentucky, and as a director
of the Boyle Bank and Trust Company, Danville, Kentucky, for
the period ending January 14, 1936.

Mr. O. B. Sletteland, for permission to serve at the same time
as an officer of the Pigeon Falls State Bank, Pigeon Falls,
Wisconsin, and as a director of The First National Bank of
Mondovi, Mondovi, Wisconsin, for the period ending January 14,
1936.

Mr. D. A. Whelan, for permission to serve at the same time as
a director of The Gilmanton State Bank, Gilmanton, Wisconsin,
and as a director and officer of The First National Bank of
Mondovi, Mondovi, Wisconsin, for the period ending January 14,
1936.

Mr. S. M. Jasper, for permission to serve at the same time as
a director of The First National Bank of St. Joseph, St.
Joseph, Missouri, as a director of the First Trust Company,
St. Joseph, Missouri, and as a director of the First St.
Joseph Stock Yards Bank, South St. Joseph, Missouri, for the
period ending January 14, 1936.

Mr. F. S. Vedder, for permission to serve at the same time as
a director and officer of The First National Bank of Saint John, St. John, Kansas, and as a director of the Thompson Savings Bank, Hudson, Michigan, for the period ending January 14, 1936.

Mr. D. R. Couch, for permission to serve at the same time as a director of the First National Bank at Lubbock, Lubbock, Texas, as a director and officer of The First National Bank of Aspermont, Aspermont, Texas, and as a director and officer of The First National Bank of O'Donnell, O'Donnell, Texas, for the period ending January 14, 1936.

Mr. J. F. Lyon, for permission to serve at the same time as a director of The Farmers National Bank in Brenham, Brenham, Texas, as a director and officer of the First State Bank, Lyons, Texas, and as a director and officer of the Citizens State Bank, Somerville, Texas, for the period ending January 14, 1936.

Mr. C. A. Schatz, for permission to serve at the same time as a director of The Farmers National Bank in Brenham, Brenham, Texas, as a director and officer of the First State Bank, Lyons, Texas, and as a director of the Citizens State Bank, Somerville, Texas, for the period ending January 14, 1936.

Mr. Roy Riddel, for permission to serve at the same time as a director and officer of the First National Bank at Lubbock, Lubbock, Texas, as a director and officer of The First National Bank of Aspermont, Aspermont, Texas, and as a director and officer of The First National Bank of Rotan, Rotan, Texas, for the period ending January 14, 1936.

Mr. C. U. Allig, for permission to serve at the same time as a director and officer of The Lincoln County National Bank of Shoshone, Shoshone, Idaho, and as a director of The Jerome National Bank, Jerome, Idaho, for the period ending January 14, 1936.

Mr. G. B. Keefer, for permission to serve at the same time as a director and officer of The Lincoln County National Bank of Shoshone, Shoshone, Idaho, and as a director and officer of The Jerome National Bank, Jerome, Idaho, for the period ending January 14, 1936.

Mr. Gilbert J. White, for permission to serve at the same time as a director and officer of The Jerome National Bank, Jerome, Idaho, and as a director and officer of The Lincoln County National Bank of Shoshone, Shoshone, Idaho, for the period ending January 14, 1936.

Mr. W. E. White, for permission to serve at the same time as a
director and officer of The Jerome National Bank, Jerome, Idaho, and as a director of The Lincoln County National Bank of Shoshone, Shoshone, Idaho, for the period ending January 14, 1936.

Mr. T. J. Brant, for permission to serve at the same time as an officer of the Bank of America National Trust and Savings Association, San Francisco, California, as a director of the Title Insurance and Trust Company, Los Angeles, California, and as an officer of the Bank of America, San Francisco, California, for the period ending January 14, 1936.

Mr. L. M. Giannini, for permission to serve at the same time as a director of The First National Bank of Portland, Portland, Oregon, as a director and officer of the Bank of America National Trust and Savings Association, San Francisco, California, and as a director and officer of the Bank of America, San Francisco, California, for the period ending January 14, 1936.

Mr. Dunning Rideout, for permission to serve at the same time as a director and officer of the Northern California Bank of Savings, Marysville, California, as an officer of the Bank of America National Trust and Savings Association, San Francisco, California, and as an officer of the Bank of America, San Francisco, California, for the period ending January 14, 1936.

Mr. Chas. L. Moore, for permission to serve at the same time as a director and officer of The First National Bank of Klamath Falls, Klamath Falls, Oregon, and as a director of The First National Bank of Merrill, Merrill, Oregon, for the period ending January 14, 1936.

Mr. Porter Sesnon, for permission to serve at the same time as an officer of the Crocker First National Bank of San Francisco, San Francisco, California, and as a director and officer of the County First National Bank of Santa Cruz, Santa Cruz, California, for the period ending January 14, 1936.

Approved.

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

<table>
<thead>
<tr>
<th>Applications for ADDITIONAL Stock:</th>
<th>Shares</th>
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<tbody>
<tr>
<td>Commercial State Bank, Afton, Iowa</td>
<td>1</td>
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</table>
Applications for ADDITIONAL Stock: (Continued)  
District No. 7. (Continued)  
Hillsdale State Savings Bank,  
Hillsdale, Michigan  

<table>
<thead>
<tr>
<th>Shares</th>
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<tbody>
<tr>
<td>21</td>
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<tr>
<td>22</td>
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Applications for SURRENDER of Stock:  
District No. 11.  
City National Bank in Childress,  
Childress, Texas  
Stockyards National Bank of Fort Worth,  
Fort Worth, Texas  

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<thead>
<tr>
<th>Shares</th>
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<tbody>
<tr>
<td>72</td>
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<tr>
<td>240</td>
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<tr>
<td>312</td>
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</tbody>
</table>

Approved.

Thereupon the meeting adjourned.

Approved:

Chester W. Minier  
Secretary.

Governor.