

A meeting of the Executive Committee of the Federal Reserve Board was held in Washington on Wednesday, July 10, 1935, at 3:00 p. m.

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

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

The Committee acted upon the following matters:

Telegram dated July 10, 1935, from Mr. Curtiss, Chairman of the Federal Reserve Bank of Boston, 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.

Memorandum dated July 2, 1935, from Mr. Goldenweiser, Director of the Division of Research and Statistics, recommending the appointment of Miss Lyndall Hester Coffey as a clerk in the division, with salary at the rate of \$1,620 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed a satisfactory physical examination.

Approved.

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

"Your letter July 8. Board approves payment by your bank of traveling expenses of Mr. Wold in attending meeting of board of directors at Helena on July 18. It is assumed that reimbursement of Mr. Wold's expenses will be on the same basis as reimbursement of expenses incurred by him in connection with his attendance at meetings of Federal Advisory Council

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"in Washington."

Approved.

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

"Retel July 6, 1934. Board will interpose no objection to proposed transaction whereby 'Commerce Trust Company' will assume deposit liability of West Side Bank of Commerce, both of Kansas City, Missouri, providing the transaction is approved by appropriate State authorities."

Approved.

Telegram to Mr. Peyton, Federal Reserve Agent at the Federal Reserve Bank of Minneapolis, authorizing him to issue a limited voting permit to the "Northwest Bancorporation", Minneapolis, Minnesota, entitling such organization, at any time prior to October 1, 1935, to vote the stock which it owns or controls in "The First National Bank of Knapp", Knapp, Wisconsin, (1) to elect directors of such bank; and (2) to take any action connected with or incidental to the liquidation of such bank.

Approved.

Letter dated July 9, 1935, approved by three members of the Board, to Mr. Walsh, Federal Reserve Agent at the Federal Reserve Bank of Dallas, reading as follows:

"Receipt is acknowledged of your letter of July 1, 1935, relating to voting permit applications of Republic National Bank and Trust Company of Dallas and Republic National Company, both of Dallas, Texas, and submitting information with reference to the possible termination of the holding company affiliate relationships between the applicants and The First National Bank of Waco, Waco, Texas.

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"The Board understands that The First National Bank of Waco has outstanding 10,000 shares of preferred stock and 10,000 shares of common stock; that the Reconstruction Finance Corporation owns all of the preferred stock; that Republic National Bank and Trust Company of Dallas and Republic National Company own or control 5,152 shares of the common stock and voted such shares at the preceding election of directors; that at the preceding election of directors 6,767 shares of the common stock and all of the shares of the preferred stock were voted; that the proxy for the Reconstruction Finance Corporation had no connection with Republic National Bank and Trust Company of Dallas or Republic National Company and had no connection with The First National Bank of Waco other than as a stockholder of such bank; and that the instructions given by the Reconstruction Finance Corporation to its proxy read, in part, as follows:

'Generally speaking, it is the desire of the Corporation not to oppose the holders of a majority of the stock in the election of directors; and you should, therefore, ascertain if possible what names are likely to receive the support of such majority, and cast your vote in their favor unless prior to the meeting you are otherwise instructed, or unless in your opinion you deem it inadvisable to vote with such majority. In this latter case you should immediately communicate with this office for further instructions. On matters which are not specifically referred to in the proxy or in this letter you should vote, or refrain from voting, as you deem to the best interest of the Reconstruction Finance Corporation.'

"On the basis of these facts the Board is of the opinion that Republic National Bank and Trust Company of Dallas and Republic National Company are not now holding company affiliates of The First National Bank of Waco and, accordingly, it is assumed that no further consideration need be given to the issuance of voting permits authorizing them to vote stock of such bank. In the absence of any further facts which you believe should be considered by the Board, you may advise the interested organizations in accordance with this letter. It may be noted that if the Reconstruction Finance Corporation should issue a proxy for a future meeting to Republic National Bank and Trust Company of Dallas or Republic National Company or a person under the control of either organization a further question might arise concerning the existence of holding company affiliate relationships at the time of such meeting. It is suggested that you call this to the attention of the interested organizations."

Approved.

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Letter dated July 8, 1935, approved by five members of the Board, to the chairmen and governors of all Federal reserve banks, reading as follows:

"The authority granted by the Federal Reserve Board to all Federal reserve banks in its circular of July 26, 1932 (X-7215-a), as amended by its letter of January 8, 1935 (X-9081), to discount eligible notes, drafts and bills of exchange for individuals, partnerships and corporations, subject to the provisions of the law, the Board's regulations, and that circular, will expire at the close of business on July 31, 1935. The Board has decided to extend such authorization for an additional six months, and, accordingly, has amended section II of its circular of July 26, 1932 (X-7215-a), to read as follows:

'AUTHORIZATION BY THE FEDERAL RESERVE BOARD.

'The Federal Reserve Board, pursuant to the power conferred upon it by the amendment hereinbefore quoted, hereby authorizes all Federal reserve banks, for a period ending at the close of business on January 31, 1936, to discount eligible notes, drafts and bills of exchange for individuals, partnerships and corporations, subject to the provisions of the law, the Board's regulations, and this circular.'"

Approved unanimously.

Letters to applicants for Clayton Act permits advising respectively of the issuance of permits by the Board as follows:

Mr. John L. McFarlin, Jr., to serve at the same time as a director and officer of The First National Bank of Marianna, Marianna, Florida, and as a director and officer of The Bay National Bank of Panama City, Panama City, Florida, for the period ending January 14, 1936.

Mr. Geo. C. Wallace, to serve at the same time as a director and officer of the Capital National Bank in Jackson, Jackson, Mississippi, and as a director of the Bank of Wesson, Wesson, Mississippi, for the period ending January 14, 1936.

Mr. R. M. Clogston, to serve at the same time as a director and officer of The First National Bank of Elkhart, Elkhart,

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Kansas, and as a director and officer of The First National Bank of Holly, Holly, Colorado, for the period ending January 14, 1936.

Mr. J. T. Short, to serve at the same time as a director and officer of The Farmers National Bank of Atwood, Atwood, Kansas, and as a director and officer of the Peoples State Bank, McDonald, Kansas, for the period ending January 14, 1936.

Approved.

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

<u>Applications for ADDITIONAL Stock:</u>	<u>Shares</u>	
<u>District No. 2.</u>		
The First National Bank of Butler, Butler, New Jersey	39	
The First National Bank of Cedar Grove, Cedar Grove, New Jersey	6	
Haledon National Bank, Haledon, New Jersey	30	
The Peoples National Bank & Trust Company of Irvington, Irvington, New Jersey	9	
The First National Bank of Milltown, Milltown, New Jersey	41	
The First National Bank of Sayreville, Sayreville, New Jersey	9	
The First National Bank of Newark Valley, Newark Valley, New York	1	
The Oceanside National Bank, Oceanside, New York	<u>37</u>	172
<u>District No. 7.</u>		
The National Bank of Bloomington, Bloomington, Illinois	6	
American National Bank and Trust Company of Chicago, Chicago, Illinois	<u>90</u>	96
<u>District No. 9.</u>		
The Northwestern National Bank and Trust Company of Minneapolis, Minneapolis, Minnesota	90	
First National Bank of Valley City, Valley City, North Dakota	<u>15</u>	105

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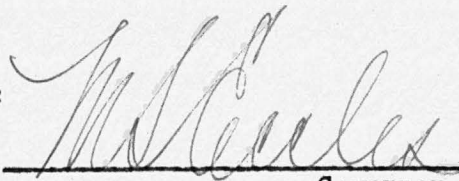
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<u>Applications for ADDITIONAL Stock: (Continued)</u>	<u>Shares</u>	
<u>District No. 10.</u>		
The Stock Yards National Bank of Kansas City, Kansas City, Missouri	60	60
	<u>Total</u>	<u>433</u>
 <u>Applications for SURRENDER of Stock:</u>		
<u>District No. 2.</u>		
First National Bank in Highland Falls, Highland Falls, New York	30	30
 <u>District No. 6.</u>		
The First National Bank of Valdosta, Valdosta, Georgia	63	
The First National Bank of Bradenton, Bradenton, Florida	<u>14</u>	77
 <u>District No. 8.</u>		
The First National Bank of Millstadt, Millstadt, Illinois	15	
First National Bank in St. Louis, St. Louis, Missouri	<u>600</u>	615
 <u>District No. 9.</u>		
The Northwestern National Bank of Madison, Madison, South Dakota	6	6
 <u>District No. 10.</u>		
The First National Bank of Randolph, Randolph, Nebraska	42	42
 <u>District No. 11.</u>		
The First National Bank of Galveston, Galveston, Texas	60	60
 <u>District No. 12.</u>		
The First National Bank of Orange, Orange, California	<u>12</u>	<u>12</u>
	<u>Total</u>	<u>842</u>

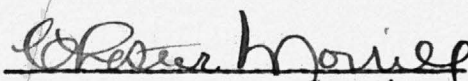
Approved.

Thereupon the meeting adjourned.

Approved:



Governor.



Secretary.