

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, November 12, 1935, at 11:30 a. m.

PRESENT: Mr. Thomas, Vice Chairman
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Szymczak

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

The minutes of the meeting of the Board of Governors of the Federal Reserve System with the Federal Open Market Committee held on October 24, 1935, were approved unanimously.

The minutes of the meetings of the Board of Governors of the Federal Reserve System held on October 25, 26 and 28, 1935, were approved unanimously.

The Board then acted upon the following matters:

Letter to Mr. Clark, Secretary of the Federal Reserve Bank of Atlanta, stating that the Board approves the establishment without change by the bank on November 8, 1935, of the rates of discount and purchase in its existing schedule.

Approved unanimously.

Memorandum dated November 9, 1935, from Mr. Parry, Chief of the Division of Security Loans, recommending the appointment of Miss Catherine Louise Schmidt as a secretary in the Division, with salary at the rate of \$1,560 per annum, effective as of the date upon which she enters upon the performance of her duties after having passed a satisfactory physical examination. The memorandum also recommended a change in the title of

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Miss Catherine A. Hall from secretary to statistical clerk in the Division.

Approved unanimously.

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

"In accordance with your recommendation, the Board approves the establishment and operation by the 'American Trust Company', San Francisco, California, of a branch at Stockton, California, on condition that the establishment and operation of such bank shall be approved by the appropriate State authorities. Please advise the trust company accordingly."

Approved unanimously.

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

"The Board has under consideration an application from a State member bank in the State of New Jersey for permission to establish and operate an out-of-town branch in such State.

"As you know, section 9 of the Federal Reserve Act provides that a State member bank may establish and operate branches on the same terms and conditions and subject to the same limitations and restrictions as are applicable to the establishment of branches by national banks except that the approval of the Board of Governors of the Federal Reserve System, instead of the Comptroller of the Currency, shall be obtained. Under the provisions of section 5155 of the Revised Statutes, as amended, regarding the establishment of branches by national banks in States having a population of 1,000,000 or more inhabitants, it is provided, in part, that:

'no such association shall establish a branch outside of the city, town, or village in which it is situated unless it has a paid-in and un-impaired capital stock of not less than \$500,000.'

"The member bank in question has a total outstanding capital as follows: \$2,500,000 preferred stock sold to the Reconstruction Finance Corporation; \$200,000 preferred stock 'B' sold to local interests; and \$600,000 common stock. It appears, however, from the last report of examination that the capital of the bank is impaired to the extent of approximately \$900,000, leaving a net sound capital of approximately \$2,400,000. The only question involved is whether a national bank, under the

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"provisions of section 5155 of the Revised Statutes referred to above, may lawfully establish an out-of-town branch if any part of its capital is impaired, even though the remaining amount of unimpaired capital exceeds the minimum amount required by law for the establishment of such branch.

"It will be appreciated if you will advise the Board whether, in your opinion, a national bank may lawfully establish an out-of-town branch under the circumstances described above."

Approved unanimously.

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

"Reference is made to your letter of October 29, 1935, regarding an increase in the capital stock and surplus of the 'Barton County State Bank', Lamar, Missouri, in order to comply with the provisions of membership condition numbered 15.

"The report of examination of the bank as of January 12, 1935, showed capital stock and surplus of \$27,500 and a net sound capital of \$29,500 as compared with deposits of \$330,300. The report of examination of the bank as of October 12, 1935, shows capital stock and surplus of \$30,000 and net sound capital of \$33,600 as compared with deposits of \$357,500. The latter report indicates also that the institution had no assets classified as estimated losses and only \$1,000 as doubtful, a satisfactory liquid position, and that the management is gradually improving the condition of the bank.

"In view of all the circumstances and your recommendation, the Board will not require the Barton County State Bank to increase its capital stock and surplus at this time under the provisions of membership condition numbered 15.

"It is assumed that you will in due course advise the Board as to the action which has been taken to effect correction of the various criticised matters referred to in the report of examination of the bank as of October 12, 1935."

Approved unanimously.

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

"Reference is made to your letter of October 31, 1935, regarding an increase in the capital stock and surplus of the

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"Washington County Bank', Blair, Nebraska, in order to comply with the provisions of membership condition numbered 15.

"The report of examination of the bank as of October 16, 1934, made by your examiners showed capital stock and surplus of \$42,000 and a net sound capital of \$50,100 as compared with deposits of \$549,300. The analysis of the report of examination as of September 17, 1935, made by State examiners shows capital stock and surplus of \$48,500 and a net sound capital of \$60,200 as compared with deposits of \$669,900. The analysis of the latter report indicates also that the bank had only \$200 in assets classified as estimated losses and doubtful and that its liquid position was satisfactory, and in your letter of October 31, 1935, you stated that it is quite apparent that the management of the bank is following a consistent policy of increasing its capital structure from earnings.

"In view of all of the circumstances and your recommendation the Board will not require the Washington County Bank to increase its capital stock and surplus at this time under the provisions of membership condition numbered 15."

Approved unanimously.

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

"Reference is made to Assistant Federal Reserve Agent McRae's letter of November 1, 1935, inclosing a letter dated November 1, 1935, and other information, from Mr. B. W. Guernsey, Treasurer of 'Old Colony Trust Associates', Boston Massachusetts, requesting issuance of a limited voting permit to Old Colony Trust Associates in connection with a proposed consolidation of three subsidiary banks.

"The Board has considered this request and authorizes you to issue a limited voting permit to Old Colony Trust Associates, Boston, Massachusetts, under the provisions of Section 5144 of the United States Revised Statutes, as amended, to vote the stock owned or controlled of 'The Second National Bank of Malden', Malden, Massachusetts, 'The Lechmere National Bank of Cambridge', Cambridge, Massachusetts, and 'Everett Bank and Trust Company', Everett, Massachusetts, for the following purposes:

At any time prior to February 1, 1936, to effect the consolidation of such banks, substantially in accordance with the plan described in a letter and inclosures from the Treasurer of Old Colony Trust Associates to the Federal Reserve Agent at the Federal Reserve Bank of Boston under date of November 1, 1935, provided such

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"plan shall have been approved by the appropriate supervisory authorities.

"Please have the permit authorized herein prepared by counsel for the Federal Reserve Bank of Boston in the usual form. It will be appreciated if you will mail to the Board for its records two executed copies of the permit issued by you under the authorization contained in this letter."

Approved unanimously.

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

"In connection with its consideration of the application of 'Rhode Island Hospital Trust Company', Providence, Rhode Island, for a voting permit entitling it to vote the stock which it owns or controls of 'Rhode Island Hospital National Bank of Providence', Providence, Rhode Island, the Board has determined that the applicant is not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies within the meaning of section 2(c) of the Banking Act of 1933, as amended by section 301 of the Banking Act of 1935, and, accordingly, the applicant is not a holding company affiliate for any purposes other than those of section 23A of the Federal Reserve Act.

"Inclosed herewith is a letter to the applicant advising it concerning the Board's action in this matter. If, for any reason, you believe that this matter should be reconsidered by the Board, please communicate with the Board at once. Otherwise you are requested to transmit the inclosed letter to the applicant. A copy of the letter is also inclosed for your files.

"As you will note, the Board expressly reserves the right to make a further determination of this matter at any time on the basis of the then existing facts. In this connection it is requested that you advise the Board if, at any time, you believe this matter should again be considered by it."

Approved unanimously, together with a letter to "Rhode Island Hospital Trust Company", Providence, Rhode Island, reading as follows:

"This refers to the application of your company for a voting permit entitling it to vote the stock which it owns or controls of 'Rhode Island Hospital National Bank of Providence',

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"Providence, Rhode Island.

"The Board understands that your company owns substantially all of the stock of Rhode Island Hospital National Bank of Providence; that such bank was organized by your company in 1933 to take over the business of the commercial banking department of your company; that the stock of such bank constitutes less than 10% of the assets of your company; that such bank is engaged primarily in commercial banking business and your company is engaged primarily in trust and savings business; that your company holds, among its investments, stock of a number of other banks but such stock constitutes a relatively small part of your company's assets and your company does not manage or control any of such banks; and that your company was not organized and is not operated for the purpose of managing or controlling banks.

"As you perhaps know, section 301 of the Banking Act of 1935 amended section 2(c) of the Banking Act of 1933, defining the term 'holding company affiliate', by adding thereto the following paragraph:

'Notwithstanding the foregoing, the term "holding company affiliate" shall not include (except for the purposes of section 23A of the Federal Reserve Act, as amended) any corporation all of the stock of which is owned by the United States, or any organization which is determined by the Board of Governors of the Federal Reserve System not to be engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies.'

"In view of the above facts, the Board has determined that your company is not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies, within the meaning of the above quoted statutory provisions, and, therefore, it is not a holding company affiliate for any purposes other than those of section 23A of the Federal Reserve Act. Accordingly, it is not necessary for your company to obtain a voting permit in order to vote the stock which it owns or controls of Rhode Island Hospital National Bank of Providence and, on this basis, the Board will give no further consideration to your application for such a permit.

"If, however, your company acquires control over any other bank, or the facts should at any time differ from those stated above to an extent which would indicate that your company might be engaged as a business in holding the stock of, or managing or controlling banks, this matter should again be submitted to the Board for its determination. The Board reserves the right

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"to make a further determination of this matter at any time on the basis of the then existing facts."

Letter to Mr. Fletcher, Acting Federal Reserve Agent at the Federal Reserve Bank of Cleveland, reading as follows:

"In connection with its consideration of the applications of 'Central United National Bank of Cleveland' and 'Central United Company', both of Cleveland, Ohio, for voting permits entitling them to vote the stock which they own or control of 'Central National Bank of Chardon', Chardon, Ohio, the Board has determined that the applicants are not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies, within the meaning of section 2(c) of the Banking Act of 1933, as amended by section 301 of the Banking Act of 1935, and, accordingly, the applicants are not holding company affiliates for any purposes other than those of section 23A of the Federal Reserve Act.

"Inclosed herewith is a letter addressed to the applicants jointly, advising them concerning the Board's action in this matter. If for any reason you believe that this matter should be reconsidered by the Board please communicate with the Board at once. Otherwise you are requested to transmit the inclosed letter to the applicants. A copy of the letter is also inclosed for your files.

"As you will note, the Board expressly reserves the right to make further determinations with reference to these organizations at any time on the basis of the then existing facts. In this connection it is requested that you advise the Board if at any time you believe this matter should again be considered by it."

Approved unanimously, together with a letter addressed jointly to the "Central United National Bank of Cleveland", and the "Central United Company", both of Cleveland, Ohio, reading as follows:

"This refers to the applications of your corporations for voting permits entitling them to vote the stock which they own or control of 'Central National Bank of Chardon', Chardon, Ohio.

"The Board understands that Central United National Bank of Cleveland is engaged in the general banking business and was organized and is operated for that purpose; that Central United Company was organized by stockholders of Central United National Bank of Cleveland for the purpose of conducting a securities and

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"investment business; that Central United Company was placed in formal liquidation in June 1934 and that since that date it has been engaged solely in the liquidation of its investments; that Central United Company owns 2,050 of the 2,500 outstanding shares of stock of Central National Bank of Chardon; that Central United National Bank of Cleveland, by reason of control over Central United Company, indirectly controls such bank stock; that neither Central United National Bank of Cleveland nor Central United Company manages or controls any other bank; that at the time Central United Company was placed in liquidation its investment in the stock of Central National Bank of Chardon and other banks constituted a minor part of its assets; that the assets of Central United National Bank of Cleveland are more than one hundred times as large as the assets of Central National Bank of Chardon; and that neither Central United National Bank of Cleveland nor Central United Company is operated for the purpose of managing or controlling banks.

"As you perhaps know, section 301 of the Banking Act of 1935 amended section 2(c) of the Banking Act of 1933, defining the term holding company affiliate, by adding thereto the following paragraph:

'Notwithstanding the foregoing, the term "holding company affiliate" shall not include (except for the purposes of section 23A of the Federal Reserve Act, as amended) any corporation all of the stock of which is owned by the United States, or any organization which is determined by the Board of Governors of the Federal Reserve System not to be engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies.'

"In view of the above facts, the Board has determined that your corporations are not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies, within the meaning of the above quoted statutory provisions, and, therefore, they are not holding company affiliates for any purposes other than those of section 23A of the Federal Reserve Act. Accordingly, it is not necessary for them to obtain voting permits in order to vote the stock which they own or control of Central National Bank of Chardon and, on this basis, the Board will give no further consideration to their applications for such permits.

"If, however, either of your corporations acquires control over any other bank or if the facts should at any time otherwise differ from those set out above to an extent which would indicate that either or both of your corporations might be engaged, directly or indirectly, as a business in holding the stock of, or

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"managing or controlling, banks, this matter should again be submitted to the Board. The Board reserves the right to make further determinations with reference to either or both of your corporations at any time on the basis of the then existing facts."

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

"Receipt is acknowledged of Mr. Young's letter of October 22, 1935, and its inclosures, relating to the holding company affiliate status of 'Wm. Wrigley Jr. Company', Chicago, Illinois.

"Pursuant to the request of that company, the Board has determined that Wm. Wrigley Jr. Company is not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies, within the meaning of section 2(c) of the Banking Act of 1933, as amended by section 301 of the Banking Act of 1935. Accordingly, that company is not a holding company affiliate for any purposes other than those of section 23A of the Federal Reserve Act.

"Inclosed herewith is a letter of advice to Wm. Wrigley Jr. Company, which you are requested to transmit to that company. A copy of the letter is also inclosed for your files. If you have not already done so, it may be desirable for you to call specific attention to the fact that the Board's action does not affect the holding company affiliate status of Wm. Wrigley Jr. Company for the purposes of section 23A of the Federal Reserve Act.

"As you will note, the Board expressly reserves the right to make a further determination of this matter at any time on the basis of the then existing facts. In this connection it is requested that you advise the Board if, at any time, you believe that this matter should again be considered by it."

Approved unanimously, together with a letter to the "Wm. Wrigley Jr. Company", Chicago, Illinois, reading as follows:

"This refers to your company's request that the Board determine that it is not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies, within the meaning of section 2(c) of the Banking Act of 1933, as amended by section 301 of the Banking Act of 1935.

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"The Board understands that your company was organized and is operated for the purpose of manufacturing and selling chewing gum; that your company owns 4,136 of the 5,000 shares of outstanding stock of National Boulevard Bank of Chicago, Chicago, Illinois; that such stock was purchased when the bank was organized in March, 1933, to take over the business of a State bank to protect the depositors of the latter bank; that the other subsidiaries of your company, except one organized to handle your company's treasury investments, are engaged in the manufacture or sale of chewing gum or materials for chewing gum; that your company owns 21 shares of the stock of The District National Bank of Chicago, Chicago, Illinois; that your company does not own the stock of, or manage or control, any other bank; that bank stock constitutes a relatively insignificant portion of your company's assets; and that your company was not organized and is not operated for the purpose of managing or controlling banks.

"In view of the above facts, the Board has determined that your company is not engaged, directly or indirectly, as a business in holding the stock of, or managing or controlling, banks, banking associations, savings banks, or trust companies, within the meaning of section 2(c) of the Banking Act of 1933 as amended by section 301 of the Banking Act of 1935, and, accordingly, your company is not a holding company affiliate for any purposes other than those of section 23A of the Federal Reserve Act.

"If, however, your company acquires control over any other bank or if the facts should, at any time, otherwise differ from those set out above to an extent which would indicate that your company might be engaged as a business in holding the stock of, or managing or controlling, banks, this matter should again be submitted to the Board for its determination. The Board reserves the right to make further determination of this matter at any time on the basis of the then existing facts."

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

"Reference your letter of October 29, 1935, and its inclosures, relating to voting permit application of 'Marine Bancorporation', Seattle, Washington. Under the facts stated therein, the Board will offer no objection to the payment of dividends by the applicant in accordance with the program outlined in the applicant's letter to you dated October 24, 1935, provided that the dividends do not exceed the applicant's actual net earnings. The Board reserves the right to reconsider this matter if at any time there is a material change in the

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"circumstances. Please so advise Andrew Price, c/o Roosevelt Hotel, New Orleans, Louisiana, by wire at once. Action with reference to granting general voting permit awaits determination of certain questions of general policy."

Approved unanimously.

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

"The Board of Governors of the Federal Reserve System is considering the desirability of asking a small group of the larger member banks to fill out a schedule showing in each case the deposits of the bank's fifty or one hundred largest depositors on four dates in each year for the past six years classified by broad classifications, such as finance, manufacturing, trade, and personal, so that identification of individual accounts would be impossible. It is believed that such information would be very helpful to the Board and that its preparation would involve little or no difficulty.

"Before making the request of the banks, however, the Board would appreciate it if the matter could be considered by the Federal Advisory Council at its meeting in Washington on November 20, 1935, and if any suggestions which the Council may have to make with regard thereto could be submitted to the Board at the joint meeting of the Board and the Council on November 21."

Approved unanimously.

Letter to Mr. Fletcher, Acting Federal Reserve Agent at the Federal Reserve Bank of Cleveland, reading as follows:

"One of our local newspapers commented last Friday in its editorial columns upon the recent train robbery at Garrettsville, Ohio, to the effect that -

'Such a crime plainly indicates collusive work between the shipping agencies and the thieves. Some one inside of the organization from which the cash and securities were forwarded must have given the information that enabled the gang to hold up the right train at the most effective point on the run.'

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"If there are venal bank clerks to sell information to the crooks, the hold-up game can be played with initial safety and success."

"It is understood that the money stolen at Garrettsville included a shipment from the reserve bank, made to or destined for the Republic Steel Corporation, Warren, Ohio, and that that corporation has suffered two other thefts of payroll funds within the last year. Please furnish us with a detailed report as to the reserve bank's part in the shipment of currency stolen at Garrettsville, and as to the result of any investigation made in regard thereto, and also advise whether the previous losses referred to involved shipments of money by the reserve bank. The Board will be interested in any information that you are able to develop regarding the matter."

Approved unanimously.

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

"Reference is made to the Board's letter of April 23, 1935, and prior correspondence relative to the Clayton Act application of Mr. J. Cheney Wells, Southbridge, Massachusetts, to serve at the same time as director of The Southbridge National Bank, Southbridge, Massachusetts, and Old Colony Trust Company, Boston, Massachusetts.

"In its letter of April 23, 1935, the Board stated that it felt there was reason to believe that Mr. Wells' relationships with The Southbridge National Bank and American Optical Company were technically within the prohibitions of Section 8A of the Clayton Act. You were further advised, however, that since there were pending in Congress proposed amendments to the Clayton Act which would make it inapplicable to such relationships, the Board had decided to defer action on the application until it could be definitely ascertained whether the proposed amendments would be enacted; and you were requested to hold the original and copies of Mr. Wells' permit forwarded under date of September 27, 1934, pending further advice in the matter.

"As you know Section 8A of the Clayton Act was repealed and Section 8 was amended by Section 329 of the Banking Act of 1935. Accordingly, Mr. Wells' relationships with The Southbridge National Bank and American Optical Company are no longer prohibited by the Clayton Act; and, in view of the fact that the banks involved in his application are located in different towns approximately sixty miles apart, it would seem that his services

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"to these institutions come within the exception in Section 8 of the Clayton Act, as amended, applicable to banks which are not located in the same city, town or village. In this connection, reference is made to the Board's letter of October 11, 1935 (X-9341). If, in the light of your knowledge of the situation, you feel that this conclusion is correct, it is suggested that you advise Mr. Wells accordingly. Please also return to the Board the original and copies of Mr. Wells' permit forwarded with the Board's letter of September 27, 1934."

Approved unanimously.

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

"Reference is made to the Board's letter of January 22, 1935, and subsequent correspondence relative to the Clayton Act application of Mr. William W. Hoffman, New York, New York, for permission to serve at the same time as officer of The National City Bank of New York and City Bank Farmers Trust Company, both of New York, New York.

"In view of the fact that more than fifty per cent of the common stock of City Bank Farmers Trust Company is owned indirectly by persons who own directly more than fifty per cent of the common stock of The National City Bank of New York, Mr. Hoffman's services to these banks come within the exception contained in section 8 of the Clayton Act, as amended by section 329 of the Banking Act of 1935, applicable to banks, more than fifty per cent of the common stock of which is owned directly or indirectly by the same persons. It is requested, therefore, that you return to the Board the original and copies of Mr. Hoffman's permit forwarded with the Board's letter of January 22, 1935.

"You were advised in the Board's letter of November 5, 1935, with respect to the applicability of the provisions of section 32 of the Banking Act of 1933 to Mr. Hoffman's services as a partner of F. B. Hoffman & Co., and as an officer of The National City Bank of New York and City Bank Farmers Trust Company."

Approved unanimously.

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

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"Reference is made to the Board's letter of April 23, 1935, and prior correspondence relative to the request of Mr. John C. Haddock, Wilkes-Barre, Pennsylvania, for an amendment to his Clayton Act permit to include his service as director of The First National Bank of McAdoo, McAdoo, Pennsylvania, as well as officer of that bank and as director of The Wyoming National Bank of Wilkes-Barre, Wilkes-Barre, Pennsylvania.

"In its letter the Board stated that it felt that Mr. Haddock's relationships with the national banks and some of the coal companies served by him might be within the prohibitions of Section 8A of the Clayton Act because of the fact that such coal companies apparently made loans secured by stock or bond collateral not only to their subsidiaries but also to their affiliates and their parent companies. You were further advised, however, that since there were pending in Congress proposed amendments to the Clayton Act which would make it inapplicable to such relationships, the Board had decided to defer action on Mr. Haddock's request until it could be definitely ascertained whether the proposed amendments would be enacted.

"As you know, Section 8A of the Clayton Act was repealed and Section 8 was amended by Section 329 of the Banking Act of 1935. Accordingly, Mr. Haddock's relationships with the coal companies served by him are no longer prohibited by the Clayton Act; and, in view of the fact that the banks involved are located in different towns approximately twenty-eight miles apart, it would seem that Mr. Haddock's services to such banks come within the exception in Section 8 of the Clayton Act, as amended, applicable to banks which are not located in the same city, town or village. In this connection, reference is made to the Board's letter of October 11, 1935 (X-9341). If, in the light of your knowledge of the situation, you feel that this conclusion is correct, it is suggested that you advise Mr. Haddock accordingly. Of course, if you are unable, with the assistance of counsel for your bank, to determine the applicability of Section 8 to Mr. Haddock's relationships, the Board will be glad to consider the matter upon receipt of full information, together with such comments as you may desire to make."

Approved unanimously.

Letter to Mr. Fletcher, Acting Federal Reserve Agent at the Federal Reserve Bank of Cleveland, reading as follows:

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"Reference is made to your letter of September 5, 1935, transmitting the application of Mr. C. E. Morlatt, Camden, Ohio, for permission under the provisions of the Clayton Act to serve at the same time as director and officer of First National Bank in Camden, Camden, and as director of The Eaton National Bank, Eaton, both of Ohio.

"The Board is without sufficient information to determine whether section 8 of the Clayton Act as amended by the Banking Act of 1935 is applicable to the relationships involved, and therefore it will be appreciated if you will ascertain such facts as are necessary in the light of the Board's letter of October 11, 1935 (X-9341), and advise Mr. Morlatt. Of course, if you are unable, with the assistance of counsel for your bank, to determine whether section 8 is applicable to Mr. Morlatt's relationships, the Board will be glad to consider the matter upon receipt of full information, together with such comments as you may desire to make."

Approved unanimously.

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

"Reference is made to your letter of July 29, 1935, submitting the request of Mr. Ray W. Armstrong, Hancock, Michigan, for an amendment to his Clayton Act permit to include his services as officer of The First National Bank of Lake Linden, Lake Linden, Michigan, as well as director of that bank and as director of The Superior National Bank of Hancock and The Superior Trust Company, both of Hancock, Michigan.

"As you know, Section 8 of the Clayton Act has been amended by Section 329 of the Banking Act of 1935 and no longer contains the provisions relating to the issuance of individual permits by the Board. From the information available to the Board it appears that Lake Linden and Hancock, Michigan, are about ten miles apart and have a population of approximately 1,700 and 5,800, respectively, in view of which it would seem that Mr. Armstrong's additional services as officer of The First National Bank of Lake Linden come within the exception in Section 8 of the Clayton Act, as amended, applicable to banks which are not located in the same city, town, or village. In this connection reference is made to the Board's letter of October 11, 1935 (X-9341). If, in the light of your knowledge of the situation, you feel that this conclusion is correct, it is suggested that you advise Mr. Armstrong

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"accordingly.

"Of course, if you are unable, with the assistance of counsel for your bank, to determine the applicability of the provisions of Section 8 to Mr. Armstrong's additional services as officer of The First National Bank of Lake Linden, the Board will be glad to consider the matter upon receipt of full information, together with such comments as you may desire to make."

Approved unanimously.

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

"Reference is made to your letter of August 26, 1935, transmitting the application of Mr. W. E. Holmes, Sacramento, California, for permission under the provisions of the Clayton Act to serve at the same time as officer of The Capital National Bank of Sacramento, Sacramento, California, and as director of Bank of Galt, Galt, California.

"In view of the fact that the banks involved in Mr. Holmes' application are located in different towns approximately twenty-eight miles apart, it would seem that Mr. Holmes' services to these banks come within the exception in section 8 of the Clayton Act, as amended by section 329 of the Banking Act of 1935, applicable to banks which are not located in the same city, town, or village. In this connection, reference is made to the Board's letter of October 11, 1935 (X-9341). If, in the light of your knowledge of the situation, you feel that this conclusion is correct, it is suggested that you advise Mr. Holmes accordingly."

Approved unanimously.

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

"Reference is made to your letter of September 13, 1935, transmitting the application of Mr. Guy V. Shoup, San Francisco, California, for permission under the provisions of the Clayton Act to serve at the same time as director and officer of The First National Bank of Los Altos, Los Altos, California, and as director of Wells Fargo Bank & Union Trust Co., San Francisco, California.

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"In view of the fact that the banks involved in Mr. Shoup's application are located in different communities approximately forty miles apart, it would seem that Mr. Shoup's services to these banks come within the exception in section 8 of the Clayton Act, as amended by section 329 of the Banking Act of 1935, applicable to banks which are not located in the same city, town, or village. In this connection, reference is made to the Board's letter of October 11, 1935 (X-9341). If, in the light of your knowledge of the situation, you feel that this conclusion is correct, it is suggested that you advise Mr. Shoup accordingly. Of course, if you are unable, with the assistance of counsel for your bank, to determine the applicability of section 8 to the relationships involved, the Board will be glad to consider the matter upon receipt of full information, together with such comments as you may desire to make."

Approved unanimously.

Thereupon the meeting adjourned.

Chester Mowbray
Secretary.

Approved:

J. J. Thomas
Vice Chairman.