

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, January 19, 1937, at 10:45 a. m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Broderick
Mr. Szymczak
Mr. McKee
Mr. Davis

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman
Mr. Thurston, Special Assistant to the
Chairman
Mr. Smead, Chief of the Division of Bank
Operations
Mr. Dreibelbis, Assistant General Counsel

Further consideration was given to memoranda prepared by Mr. Smead under date of January 12 and 14, 1937, with respect to salaries fixed by the boards of directors of the Federal Reserve Banks of New York, Chicago and San Francisco for the officers of the respective banks for the year 1937. It was pointed out that during the year 1936 Mr. John H. Williams, Vice President of the Federal Reserve Bank of New York, whose salary was fixed at the rate of \$22,000 per annum with the understanding that he would give two days per week to the bank and be paid one-third of the annual salary rate approved for him, had given considerable additional time to the bank and had been paid \$15,278, and that it was proposed that he would give the bank at least as much time during 1937 as he had last year and that he be paid an amount not to exceed \$17,500 for his services, which amount would be separate from, and in addition to, the compensation received by him as a professor at Harvard University. It

1/19/37

-2-

was also pointed out that the directors had approved the following increases for assistant counsel at the New York bank:

	<u>From</u>	<u>To</u>
Rufus J. Trimble	\$10,800	\$12,000
Todd G. Tiebout	7,200	7,800
William F. Treiber	5,600	6,200
Felix T. Davis	5,400	6,000

Chairman Eccles referred to the diversity in the employment of counsel of the Federal reserve banks, and suggested that before action is taken by the Board with respect to the salary increases proposed for the assistant counsel at the Federal Reserve Bank of New York a survey be made of the legal divisions of the respective banks with a view to obtaining greater uniformity in the arrangements with counsel at the Federal reserve banks and the basis upon which they are compensated, and that the New York bank be advised that, accordingly, the Board has approved the payment of salaries to the four assistant counsel at the rates in effect at the end of 1936 if fixed by the directors at such rates.

Chairman Eccles' suggestion was discussed and, upon motion by Mr. Broderick, was approved unanimously with the understanding that Mr. Broderick, in consultation with Mr. Dreibelbis and Mr. Morrill would see that such a survey is made.

There was further discussion of the action of the New York directors with respect to Mr. Williams' salary and it was agreed unanimously that the New York bank should be advised that the Board was not prepared to approve the proposed salary arrangement for Mr. Williams but that it approves for him a salary at the rate of \$22,000 per annum for 1937, if fixed by the board of directors, with the understanding that the amount actually paid to him will not exceed in proportion to this salary rate the proportion of his time given to the services of the bank.

Upon motion by Mr. Broderick, the salaries fixed for other officers of the Federal Reserve Bank of New York for the year 1937 were approved unanimously as follows:

1/19/37

-3-

<u>Name</u>	<u>Title</u>	<u>Salary</u>
George L. Harrison	President	\$50,000
Allan Sproul	First Vice President	25,000
W. Randolph Burgess	Vice President	30,000
Leslie R. Rounds	Vice President	30,000
Walter S. Logan	Vice President & General Counsel	25,000
Ray M. Gidney	Vice President	20,000
L. Werner Knoke	Vice President	17,500
Charles H. Coe	Vice President	15,000
William H. Dillistin	Assistant Vice President	15,000
J. Wilson Jones	Assistant Vice President	14,000
Walter B. Matteson	Assistant Vice President	14,000
James M. Rice	Assistant Vice President	13,000
Harold V. Roelse	Assistant Vice President	12,000
Arthur Phelan	Assistant Vice President	9,000
Herbert H. Kimball	Assistant Vice President and Secretary	8,500
Valentine Willis	Assistant Vice President	7,500
Jacques A. Mitchell	Manager, Credit Department	12,000
William F. Sheehan	Manager, Bank Examination Department	12,000
Edwin C. French	Manager, Cash Department	10,000
Dudley H. Barrows	Manager, Personnel Department	9,000
Herbert S. Downs	Manager, Bank Relations Department	9,000
I. Ward Waters	Manager, Cash Custody Department	9,000
William A. Scott	Manager, Government Bond Department	8,500
Robert F. McMurray	Manager, Safekeeping Department	8,000
Donald J. Cameron	Manager, Foreign Department	7,500
Myles C. McCahill	Manager, Service Department	7,500
Wesley W. Burt	Manager, Accounting Department	7,000
Edward O. Douglas	Manager, Bill Department and Collection Department	7,000
Silas A. Miller	Manager, Securities Department	6,500
Charles N. Van Houten	Manager, Security Custody Department	6,500
Horace Sanford	Assistant Secretary	6,000
George W. Ferguson	General Auditor	9,000
<u>Buffalo Branch</u>		
Robert M. O'Hara	Managing Director	\$12,000
Reginald B. Wiltse	Assistant Manager	9,000
Halsey W. Snow	Cashier	7,000
Clifford Blakeslee	Assistant Cashier	5,500

In connection with the salaries fixed by the directors for the officers of the Federal Reserve Bank of San Francisco for the year 1937, it

1/19/37

-4-

was pointed out that the directors proposed to pay the usual annual retainer fee of \$10,000 to its counsel and, in addition, to allow him \$2,400 additional compensation for clerk hire, it being anticipated that Mr. H. B. Armstrong, who had been employed by the bank as an attorney in connection with industrial loans, would be transferred to the employ of the bank's counsel and his salary at the rate of \$2,400 per annum as an employee of the bank discontinued.

Mr. Broderick moved that the Federal Reserve Bank of San Francisco be advised of the survey proposed to be made of the legal divisions of the Federal reserve banks as referred to above, and that, pending the completion of the survey and action thereon by the Board, the Board is not prepared to approve the proposed allowance to counsel but would offer no objection to the retention of Mr. Armstrong on the payroll of the bank.

Carried unanimously.

Upon motion by Mr. Broderick, salaries fixed by the board of directors of the San Francisco bank for its officers for the year 1937 were approved unanimously as follows:

<u>Name</u>	<u>Title</u>	<u>Salary</u>
Wm. A. Day	President	\$25,000
Ira Clerk	First Vice President	18,000
S. G. Sargent	Vice President and Secretary	15,000
W. M. Hale	Vice President	14,000
C. E. Earhart	Cashier	9,000
C. D. Phillips	Assistant Cashier	6,300
H. N. Mangels	Assistant Cashier	6,600
M. McRitchie	Assistant Cashier	5,300
E. C. Mailliard	Assistant Cashier	5,200
J. M. Osmer	Assistant Cashier	5,200
H. F. Slade	Assistant Cashier	5,000
F. H. Holman	General Auditor	7,500
R. T. Hardy	Auditor	5,000
A. C. Agnew	Counsel (Retainer)	10,000

1/19/37

-5-

Los Angeles Branch

<u>Name</u>	<u>Title</u>	<u>Salary</u>
W. N. Ambrose	Managing Director	\$10,000
H. M. Craft	Assistant Manager	6,600
J. M. Leisner	Assistant Manager	5,200
L. C. Meyer	Assistant Cashier	4,500

Portland Branch

R. B. West	Managing Director	\$ 7,500
S. A. MacEachron	Assistant Manager	5,000
J. P. Blanchard	Assistant Cashier	4,200

Salt Lake City Branch

W. L. Partner	Managing Director	\$ 7,500
W. M. Smoot	Assistant Manager	4,800
W. M. Scott	Assistant Cashier	3,900

Seattle Branch

C. R. Shaw	Managing Director	\$ 7,500
B. A. Russell	Assistant Manager	4,800
G. W. Relf	Assistant Cashier	3,900

Spokane Branch

D. L. Davis	Managing Director	\$ 7,500
F. C. Bold	Assistant Manager	5,200
A. J. Dumm	Assistant Cashier	4,500

The meeting then recessed and reconvened at 2:15 p. m. with the same attendance as at the morning session.

Consideration was given to the action taken by the boards of directors of the Federal Reserve Banks of Richmond, Kansas City and Dallas in fixing salaries for officers of the respective banks for the year 1937 and it was stated that the proposed salaries were the same as the salaries submitted to the Board for consideration in response to its letter of November 23, 1936, (B-1180), and informally approved by the Board.

1/19/37

-6-

Upon motion by Mr. Broderick, the salaries fixed by the boards of directors of the three banks for officers for the year 1937 were approved unanimously as follows:

FEDERAL RESERVE BANK OF RICHMOND

<u>Name</u>	<u>Title</u>	<u>Salary</u>
Hugh Leach	President	\$18,000
J. S. Walden, Jr.	First Vice President	14,000
R. H. Broaddus	Vice President	14,000
J. G. Fry	Vice President	12,000
George H. Keesee	Cashier and Secretary	9,000
John T. Garrett	Manager, Bank Relations Department	8,000
Edw. Waller, Jr.	Assistant Cashier	7,500
W. W. Dillard	Assistant Cashier	6,000
Albert S. Johnstone	Assistant Cashier	6,000
M. G. Wallace	Counsel	8,000
T. F. Epes	Auditor	5,000

Baltimore Branch

W. R. Milford	Managing Director	\$12,000
J. R. Cupit	Cashier	5,700
F. W. Wrightson	Assistant Cashier	5,400
John A. Johnston	Assistant Cashier	4,500

Charlotte Branch

W. T. Clements	Managing Director	\$ 7,500
R. L. Cherry	Cashier	4,300
Louis D. Brooks	Assistant Cashier	3,600

FEDERAL RESERVE BANK OF KANSAS CITY

George H. Hamilton	President	\$25,000
C. A. Worthington	First Vice President	16,000
A. M. McAdams	Vice President and Secretary	12,500
J. W. Helm	Vice President and Cashier	12,000
John Phillips, Jr.	Assistant Cashier	7,000
E. P. Tyner	Assistant Cashier	6,800
Geo. H. Pipkin	Assistant Cashier	6,000
M. W. E. Park	Assistant Cashier	6,000
S. A. Wardell	Auditor	8,000
H. G. Leedy	Counsel (Retainer)	9,600*

*Approved with understanding that Mr. Leedy will continue to maintain his office in the bank building and pay the regular rental rates for the space occupied.

1/19/37

-7-

Denver Branch

<u>Name</u>	<u>Title</u>	<u>Salary</u>
J. E. Olson	Managing Director	\$10,000
S. A. Brown	Cashier	4,800
Judd W. Jones	Assistant Cashier	3,900

Oklahoma City Branch

C. E. Daniel	Managing Director	\$10,000
R. O. Wunderlich	Cashier	5,700
R. L. Mathes	Assistant Cashier	4,300

Omaha Branch

L. H. Earhart	Managing Director	\$10,000
G. A. Gregory	Cashier	6,000
Wm. Phillips	Assistant Cashier	4,800
O. P. Cordill	Assistant Cashier	4,300

FEDERAL RESERVE BANK OF DALLAS

B. A. McKinney	President	\$30,000
R. R. Gilbert	First Vice President	15,000
R. B. Coleman	Vice President and Cashier	10,500
W. J. Evans	Vice President and Secretary	9,000
W. O. Ford	Assistant Vice President	7,500
E. B. Austin	Assistant Cashier	6,600
L. G. Pondrom	Assistant Cashier	6,000
R. O. Webb	Assistant Cashier	5,500
W. P. Clarke	General Auditor	7,000
Locke, Locke, Stroud and Randolph	Counsel (Retainer)	9,000

El Paso Branch

J. L. Hermann	Managing Director	\$ 6,000
Allen Sayles	Cashier	4,200

Houston Branch

W. D. Gentry	Managing Director	\$ 8,000
H. R. DeMoss	Cashier	4,500

San Antonio Branch

M. Crump	Managing Director	\$ 7,500
W. E. Eagle	Cashier	4,500

1/19/37

-8-

A salary at the rate of \$5,000 per annum was approved for Assistant Federal Reserve Agent Charles C. Hall at the Federal Reserve Bank of Dallas for the six months period ending June 30, 1937, with the understanding that, prior to the expiration of this period, further consideration would be given by the directors of the bank to Mr. Hall's salary.

No objection was interposed to the action taken by the board of directors in reelecting Mr. Charles C. Huff as general counsel of the Federal Reserve Bank of Dallas for the year 1937, without compensation; it being understood that in the event he should be called upon to render services in behalf of the bank he would receive only such compensation as would be approved by the Board prior to the performance of such services.

There followed a further discussion of the salaries fixed by the board of directors of the Federal Reserve Bank of Chicago for the officers of that institution for the year 1937, and certain questions with respect to proposed salary changes were raised.

Mr. Broderick moved that, inasmuch as President Schaller of the Federal Reserve Bank of Chicago would be in Washington on January 25 in connection with the Presidents' Conference, action be deferred on the proposed salaries for officers of the Federal Reserve Bank of Chicago until he (Mr. Broderick) has had an opportunity to discuss the proposed changes with President Schaller in the light of the questions raised during the meeting.

Carried unanimously, with the understanding that, following his conference with President Schaller, Mr. Broderick will submit a recommendation to the Board as to the action that should be taken.

At this point Mr. Goldenweiser, Director of the Division of Research and Statistics, joined the meeting.

1/19/37

-9-

Mr. Broderick presented a letter received by him under date of January 16, 1937, from President Peyton of the Federal Reserve Bank of Minneapolis, advising that between March 23, 1936, which was prior to the date the bank began to put into effect its plan for reorganization of functions and personnel, and January 1, 1937, the bank had reduced the number of its employees from 402 to 334, and its total annual salaries from \$635,506 to \$548,424, resulting in an increase in the average salary at the bank from \$1,580 to \$1,642; that the savings effected had been greater than had been anticipated when the reorganization plan was undertaken; and that so far as Mr. Peyton could ascertain from reliable sources the morale of the bank was high with no embarrassing reactions.

Upon motion by Mr. Broderick, and by unanimous vote, Mr. Morrill was requested to address a letter to Mr. Peyton expressing the Board's appreciation of the satisfactory results obtained by the Federal Reserve Bank of Minneapolis as indicated by Mr. Peyton's letter.

There was then presented a letter addressed to the Board under date of January 11, 1937, by Deputy Chairman Young of the Federal Reserve Bank of New York, reading as follows:

"In recent conversations with Mr. Broderick, and at our request, Mr. Harrison has discussed the question of retirement allowances for Mr. L. F. Sailer, a Vice President of this bank, and Mr. E. L. Dodge, General Auditor of the bank, both of whom retired December 31, 1936. Mr. Harrison has indicated to Mr. Broderick that the Directors of this bank would probably wish to make a contribution to the retirement fund, in the case of each of these retired officers, in order to supplement their ordinary retirement allowances, which are believed to be inadequate. You will also recall, perhaps, that this question was touched upon, in the case of Mr. Sailer, in letters addressed to your Board by this bank under date of September 17 and October 9, 1936.

1/19/37

-10-

"At its meeting held January 7, 1937, our Board of Directors gave further consideration to the question of appropriate retirement allowances for Mr. Sailer and Mr. Dodge. The Directors voted to pay to the Retirement System the sum of \$15,000 to supplement the annual retirement allowance of Mr. Sailer, and the sum of \$10,000 to supplement the annual retirement allowance of Mr. Dodge. Inasmuch as a payment of \$6,000 in each of these cases is permitted under the general authorization of the Board to all Federal reserve banks by its letter of December 27, 1935 (X-9405), the action of the Directors to the extent of \$9,000 in the case of Mr. Sailer and \$4,000 in the case of Mr. Dodge was taken subject to the approval of the Board.

"By reason of these payments to the retirement fund, the retirement allowance provided by the Retirement System for Mr. Sailer (under the regular option which he has chosen in view of his family obligations) will be increased from approximately \$3,789 per annum to approximately \$5,071 per annum; and the retirement allowance provided by the Retirement System for Mr. Dodge (under option 1) will be increased from approximately \$2,796 per annum to approximately \$4,005 per annum.

"It seemed manifest to our Board that the retirement allowances which would, in regular course, be paid to Mr. Sailer and Mr. Dodge were too low, in view of their years of service to the bank, their previous incomes, and their position in the community which is and would be, in part at least, a reflection of the position of this bank. We are hopeful that the necessity for taking special action in such cases may be obviated in the future by a modification of the general rules relating to retirement (specifically, by an increase in the maximum salary limit under the retirement plan from \$12,000 to perhaps \$18,000) which would be of benefit to the Federal Reserve System as a whole, as well as to this bank. In the meantime, it appears to us that the situation of these two recently retired officers demands special consideration, and we respectfully request the Board's approval, to the extent above mentioned, of the action which we have taken."

The action proposed by the board of directors of the Federal Reserve Bank of New York was considered in the light of the previous action taken by the Board of Governors in approving special retirement allowances to officers and employees of Federal reserve banks and in the light of the special consideration which had been given by the Board to the

1/19/37

-11-

continuation of the employment by the New York bank of Mr. Sailer until the end of 1936, and the question was raised whether, under the circumstances, the New York bank would be justified in paying the \$6,000 authorized by the Board's letter of December 27, 1935 (X-9405), to the Retirement System for the purpose of increasing Mr. Sailer's annual retirement allowance.

After discussion, upon motion by Mr. Davis, it was agreed unanimously that the special retirement allowance of \$9,000 proposed for Mr. Sailer should be disapproved, and that there should be prepared, for the consideration of the members of the Board in determining whether the allowance of \$6,000 should be approved, a brief memorandum reviewing the special consideration which had been given by the Board to the salary of Mr. Sailer and his continued employment by the New York bank.

Mr. Ransom moved that the special retirement allowance of \$4,000 proposed by the board of directors of the New York bank for Mr. Dodge be disapproved.

Carried unanimously.

Mr. Parry, Chief of the Division of Security Loans, Messrs. Thomas, Currie and Blattner, Assistant Directors of the Division of Research and Statistics, Messrs. Gardner, Garfield, Longstreet and Piser, Senior Economists in the Division of Research and Statistics, and Mr. Edmiston, Junior Economist in the Division of Research and Statistics, joined the meeting and statements were made by Messrs. Goldenweiser, Currie, Gardner, Garfield and Longstreet in which they reviewed certain aspects of the economic and monetary situation for the information of the Board in determining whether or not it should make a further increase in the required reserves of member banks.

1/19/37

-12-

At the conclusion of the statements referred to above, Messrs. Thurston, Smead, Goldenweiser, Dreibelbis, Parry, Thomas, Currie, Blattner, Gardner, Garfield, Longstreet, Piser and Edmiston left the meeting and consideration was then given to each of the matters hereinafter referred to and the action stated with respect thereto was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on January 18, 1937, were approved unanimously.

Letter to the "Dallas Bank & Trust Company", Dallas, Texas, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your application for permission to exercise fiduciary powers, and grants you authority, effective if and when the Dallas Bank & Trust Company, Dallas, Texas is converted into a national banking association and is authorized by the Comptroller of the Currency to commence business as Dallas National Bank, to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the State of Texas, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

"After the conversion of the Dallas Bank & Trust Company into the Dallas National Bank becomes effective and the Comptroller of the Currency authorizes the national bank to commence business, you are requested to have the board of directors of the national bank adopt a resolution ratifying your application for permission to exercise trust powers, and a certified copy of the resolution so adopted should be forwarded to the Federal Reserve Bank of Dallas, to be forwarded to the Board of Governors of the Federal Reserve System for its records. When a copy of such resolution has been received by the Board, a formal certificate covering your authority to exercise trust powers will be sent to you."

Approved unanimously.

1/19/37

-13-

Letter to "The First National Bank of Salt Lake City", Salt Lake City, Utah, reading as follows:

"The Board of Governors of the Federal Reserve System has given consideration to your supplementary application for fiduciary powers, and, in addition to the authority heretofore granted to act as trustee, executor, administrator, and registrar of stocks and bonds, grants you authority to act, when not in contravention of State or local law, as guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies or other corporations which come into competition with national banks are permitted to act under the laws of the State of Utah, the exercise of all such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Board of Governors of the Federal Reserve System.

"This letter will be your authority to exercise the fiduciary powers granted by the Board pending the preparation of a formal certificate covering such authorization, which will be forwarded to you in due course."

Approved unanimously.

Letter to Mr. H. O. Sakemiller, Cashier, The York National Bank and Trust Company, York, Pennsylvania, reading as follows:

"This refers to your letter of January 11, 1937, presenting the question whether the payment before maturity of certain certificates of deposit belonging to an estate, for the purpose of paying taxes, would constitute a payment in an emergency which would be permitted by section 4(d) of Regulation Q.

"You state that in an estate there are, among other securities, certificates of deposit which have not yet matured. Unless the certificates of deposit are paid before maturity, it will be necessary to sell some of the other securities in the estate which would otherwise go direct to the beneficiaries, in order to pay the taxes on the estate.

"It is the view of the Board that the payment of time certificates of deposit before maturity under the above circumstances would constitute a payment 'in an emergency where it is necessary to prevent great hardship' and would be permitted by Regulation Q, provided the other requirements of section 4(d) of the regulation regarding an application

1/19/37

-14-

"describing fully the circumstances constituting the emergency are complied with.

"If you should have any further questions regarding this matter or any similar matter, it is suggested that you communicate with the Federal Reserve Bank of Philadelphia, which will be glad to give consideration to your inquiries."

Approved unanimously.

Letter to Mr. Ross Teckemeyer, Secretary, Sinking Fund Division, Department of Treasury, Indianapolis, Indiana, reading as follows:

"This refers to your letters of December 8 and December 18, 1936, regarding the proposed bill for a new depository Act to be presented to the Eightieth General Assembly of the State of Indiana.

"It is understood that the question presented in your letter is whether, if the proposed bill should become law, the payment by member bank depositories after August 23, 1937, of the assessments therein provided for would constitute a payment of interest on deposits within the meaning of section 19 of the Federal Reserve Act and of the Board's Regulation Q.

"As you no doubt know, the Board has taken action making the definition of interest in section 1(f) of Regulation Q effective on February 1, 1937. This definition provides that the term 'interest' does not include the payment or absorption of premiums on bonds securing deposits where such bonds are required by or under authority of law.

"It is the view of the Board of Governors that the assessments provided for in the proposed bill are in the nature of premiums on bonds securing deposits and fall within the spirit of this provision of the definition. Accordingly, the Board is of the opinion that, if this bill should be enacted into law, the payment by member bank depositories of the assessments provided for in the bill would not constitute the payment of interest on deposits within the meaning of the provisions of section 19 of the Federal Reserve Act and Regulation Q.

"The opinion above expressed is based upon the provision of the 'Proposed bill for a new depository Act for presentation to the Eightieth General Assembly 1937' as inclosed with your letter of December 8, 1936, and you will understand, of course, that changes in certain portions of the proposed bill might have the effect of converting these assessments into interest payments."

Approved unanimously.

1/19/37

-15-

Letter to Mr. Andrew Price, President, Marine Bancorporation, Seattle, Washington, reading as follows:

"Reference is made to your telephone conversation with Governor McKee on December 31, 1936, relative to the standard form of agreement required to be executed by holding company affiliates as a condition precedent to the issuance of general voting permits by the Board.

"Based upon information recently furnished by you to the Federal Reserve Bank of San Francisco and data contained in the current reports of examination of the institutions in the Marine Bancorporation group, the Board considers that the provisions of paragraphs numbered 1 and 2 of the agreement executed by Marine Bancorporation on December 31, 1936, in consideration of the granting of a general voting permit to such corporation by the Board of Governors of the Federal Reserve System under authority of section 5144 of the Revised Statutes of the United States and pursuant to an application theretofore filed, have been complied with and are therefore no longer binding upon Marine Bancorporation."

Approved unanimously, together with a letter to Mr. Sargent, Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"There is attached a letter to Mr. Andrew Price, President, Marine Bancorporation, Seattle, Washington, stating that the Board considers that Marine Bancorporation has complied with the provisions of paragraphs numbered 1 and 2 of the agreement executed by the corporation on December 31, 1936, as a condition precedent to the issuance of a general voting permit.

"The Board's conclusion in this case is based upon your recommendation and that of your Executive Committee, data contained in current reports of examination of the institutions in the group, and other information which recent communications indicate have been furnished to you by the corporation. In the absence of any reason to the contrary which you feel you should communicate to the Board, please deliver the attached letter to Marine Bancorporation."

Telegram to Mr. Sargent, Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

1/19/37

-16-

"Retel January 15, suggest that for the purpose of reports on Form F.R. 105f the term 'Farm real estate' be interpreted to mean not only improved farm land, including the improvements thereon, but also all other land known to be used or usable for agricultural purposes such as crop and livestock production, including grazing or pasture land, whether plowable or not plowable and whether wooded or not wooded."

Approved unanimously.

Thereupon the meeting adjourned.

Robert Morice
Secretary.

Approved:

W. S. ...
Chairman.