A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Wednesday, August 10, 1938, at 2:30 P. m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Davis
Mr. Morrill, Secretary
Mr. Carpenter, Assistant Secretary

Consideration was given to each of the matters hereinafter referred to and the action stated with respect thereto was taken by the Board:

Memorandum dated August 6, 1938, from Mr. Thomas, Assistant Director of the Division of Research and Statistics, submitting the resignation of Mr. George Jaszi as an economic assistant in the Division, and recommending that the resignation be accepted effective at the end of such annual leave as may be due Mr. Jaszi following his last day at the office on August 6, 1938.

The resignation was accepted effective at the close of business on September 10, 1938.

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

"Reseat August 4 relative to proposed retirement of capital debentures by 'First Security Bank', Beaverton, Oregon. In view of circumstances Board interposes no objection to retirement of $1,000 of such debentures."

Approved unanimously.
Letter to the "First National Bank in Hominy", Hominy, Oklahoma, reading as follows:

"This refers to the resolution adopted on December 2, 1937, by the board of directors of your bank, signifying the bank's desire to surrender its right to exercise fiduciary powers heretofore granted to it.

"The Board understands that your bank has been discharged or otherwise properly relieved in accordance with the law of all of its duties as fiduciary. The Board, therefore, has issued a formal certificate to your bank certifying that it is no longer authorized to exercise any of the fiduciary powers covered by the provisions of section 11(k) of the Federal Reserve Act, as amended. This certificate is inclosed herewith.

"In this connection, your attention is called to the fact that, under the provisions of section 11(k) of the Federal Reserve Act, as amended, when such a certificate has been issued by the Board of Governors of the Federal Reserve System to a national bank, such bank (1) shall no longer be subject to the provisions of section 11(k) of the Federal Reserve Act or the regulations of the Board of Governors of the Federal Reserve System made pursuant thereto, (2) shall be entitled to have returned to it any securities which it may have deposited with the State or similar authorities for the protection of private or court trusts, and (3) shall not exercise any of the powers conferred by section 11(k) of the Federal Reserve Act except with the permission of the Board of Governors of the Federal Reserve System."

Approved unanimously.

Telegram dated August 6, 1938, to Mr. Clerk, First Vice President of the Federal Reserve Bank of San Francisco, reading as follows:

"Replying your telegram August 3. Your question A: Net appreciation in any group is to be disregarded in arriving at net sound capital. Your question B: It is understood from informal conversations with members of Comptroller's office that position of that office as expressed in Ruling 360, page 11, Consolidated Issue Bulletin of Comptroller of the Currency has not been changed."

Approved unanimously.
Thereupon the meeting adjourned.

Approved:

Chairman.

Secretary.