

FEDERAL RESERVE BOARD

323

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-7628

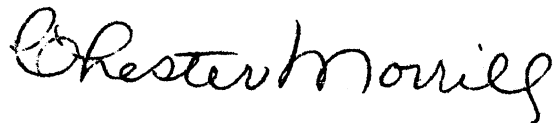
October 3, 1933.

SUBJECT: Procedure in Connection
with Applications for
Membership.

Dear Sir:

There is inclosed, for your information,
a copy of a letter being addressed to the Fed-
eral Reserve Agent at New York with regard to
procedure in connection with applications for
membership in the Federal Reserve System.

Very truly yours,



Chester Morrill,
Secretary.

Inclosure.

TO ALL FEDERAL RESERVE AGENTS.

C O P Y

X-7628-a

October 2, 1933.

Mr. J. H. Case,
Federal Reserve Agent,
Federal Reserve Bank of New York,
New York, N. Y.

Dear Mr. Case:

Reference is made to your letter dated September 2, 1933, relative to the procedure in connection with applications for membership in the Federal Reserve System. The Board agrees with you that it is desirable to avoid as far as possible holding applications in abeyance for considerable periods of time pending discussions regarding possible revisions of plans of reorganization or possible corrections of unsatisfactory conditions by other means.

It is noted that you believe that there would be less room for misunderstanding and possible controversy if, as far as possible, all applications for membership which are received by you be either (1) promptly forwarded to the Federal Reserve Board, whether your recommendation is favorable or unfavorable, or, (2) definitely and promptly withdrawn by the applying bank if it desires to do so because discussions with your officers have indicated to the officers and directors of the applying bank that the application will probably not be granted.

Of the two alternatives which you suggest, it seems more desirable that the applying bank withdraw its application if your investigation indicates that the condition of the bank is such that your committee would not feel justified in recommending that the

Mr. J. H. Case

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application be granted. Of course, if in any case the applying bank requests that its application be submitted to the Federal Reserve Board, the Board will be glad to consider the application upon receipt of full information as to all of the facts in the case and the recommendation of the Federal Reserve Agent, together with that of the committee of his bank, as to the action which should be taken.

Very truly yours,

(Signed) L. P. Bethea

L. P. Bethea,
Assistant Secretary.