

X-7741

INTERPRETATION OF BANKING ACT OF 1933

(Copies to be sent to all Federal Reserve Banks)

January 4, 1934

Honorable Jesse H. Jones, Chairman,
Reconstruction Finance Corporation,
Washington, D. C.

Dear Mr. Jones:

This is in reply to your letter recently received which was addressed to the Governor of the Federal Reserve Board and in which you request an expression of the view of the Board with respect to the question whether the Reconstruction Finance Corporation is to be regarded as a holding company affiliate of member banks in which it is a majority shareholder.

You are advised that it is the view of the Federal Reserve Board, after careful consideration of this question on another occasion, that the Reconstruction Finance Corporation is not a "holding company affiliate" of a member bank in which it owns the majority of the capital stock, within the meaning of Section 2 (c) of the Banking Act of 1933.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill,
Secretary.