

X-9026

November 21, 1934.

Dear Sir:

There is inclosed for your information and guidance a copy of the telegram dated November 13, 1934, from the Federal Reserve Board to Mr. Sargent, Assistant Federal Reserve Agent at San Francisco, regarding the interpretation of the term "capital stock" as used in standard condition of membership numbered 10 in connection with surplus requirements.

Very truly yours,

Chester Morrill,  
Secretary.

Inclosure.

TO ALL F. R. AGENTS.

C O P Y

X-9026-a

T E L E G R A M  
FEDERAL RESERVE BOARD  
WASHINGTON

November 12, 1934.

SARGENT - San Francisco

Your telegram November 8 re \_\_\_\_\_ Bank \_\_\_\_\_, Washington.  
Section 9 of the Federal Reserve Act as amended provides that for the purposes of membership the term "capital stock" shall include the amount of outstanding capital notes and debentures legally issued by the bank and purchased by the Reconstruction Finance Corporation. Accordingly the Board considers that the term "capital stock" as used in standard condition of membership numbered 10 regarding surplus includes capital notes and debentures as described above as well as capital stock of all classes.

MORRILL