

A meeting of the Federal Reserve Board was held in the office of the Board on Wednesday, March 14th, at 11:00 a.m.

PRESENT: Vice Governor Platt  
Mr. Hamlin  
Mr. Miller  
Mr. Mitchell  
Mr. Hoxton, Secretary

Minutes of the meeting of the Federal Reserve Board held on March 13th were read and on motion approved as amended.

The Vice Governor reported the reserve positions of the several Federal Reserve banks as at close of business March 12th.

Upon motion of Mr. Miller, it was voted that the Federal Reserve Board order from the public printer 1,000 copies of Senate Document #310, being a reprint of the transcript of the Stenographic Minutes of the Conference between the Federal Reserve Board, the Class "A" Directors and the Federal Advisory Council at Washington, May 18, 1920, and that the Board suggest to the Superintendent of Documents that he retain on hand a stock of these documents for sale to the public, furthermore, that the Board send fifteen copies of the said document to each of the Federal Reserve banks with the information that additional copies may be had from the Superintendent of Documents at whatever price the Superintendent of Documents may fix.

Telegram dated March 9th, referred to in the minutes of yesterday, from the Chairman of the Federal Reserve Bank of San Francisco, presenting reasons given by Mr. W. G. McAdoo, General Counsel for the Bank of Italy, why, in his opinion, the Board should reconsider its action in disapproving the purchase by the Bank of Italy through its Stockholders' Auxiliary Corpora-

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tion, of the First National Bank of El Centro, California.

Ordered laid over for a full meeting of the Board.

Memorandum dated March 12th, from the Assistant Counsel, subject "Non-Member Bank Balances Under Section 19", and submitting for the approval of the Board draft of a letter dated March 12th, and addressed to Mr. Charles C. Hall, Assistant Federal Reserve Agent at the Federal Reserve Bank of Dallas.

Referred to Mr. Mitchell.

Telegram dated March 13th, from the Chairman of the Federal Reserve Bank of San Francisco as follows:

"Mercantile Trust Company, San Francisco, has branch at Campbell, California, with seven hundred thousand deposits and makes application for Board's approval to purchase majority of capital stock of Growers National Bank there having fifty thousand capital one hundred thousand deposits. Examiners are now in charge of Growers National and intimated that capital is impaired to such extent that assessment necessary. Mercantile Trust is interested because having loaned on part of capital stock to borrower unable to meet assessment. Mercantile Securities Company plans to purchase not more than seventy-five percent of stock at eighty-five dollars per share but does not desire to consolidate with their branch or convert into new branch. Instead plans to carry stock for a time and resell control of bank preferring to maintain competition as heretofore. Recommend Board's approval of Mercantile's application as proposed purchase seems preferable to public announcement of banks embarrassment and assessment to restore impaired capital. Please wire reply as purchase option expires noon fourteenth. "

Upon motion, the Secretary was instructed to advise Mr. Perrin that the Board interposes no objection to the Mercantile Trust Company's proposal to purchase a majority of the capital stock of the Growers National Bank of Campbell, California, in accordance with the terms of the above telegram.

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Letter dated February 21st, from the Chairman of the Federal Reserve Bank of St. Louis, requesting the approval of the Federal Reserve Board, of certain bids received by the Federal Reserve Bank of St. Louis, covering the constructions of the proposed building for the Little Rock Branch.

Upon motion of Mr. Miller, it was voted that a Committee of three consisting of Mr. Crissinger, Mr. Mitchell and Mr. Platt be designated to make investigation and submit to the Board a recommendation as to whether or not the Little Rock Branch of the Federal Reserve Bank of St. Louis should be continued.

Telegram dated March 13th, from the Federal Reserve Bank of Chicago, inquiring when action may be expected upon the application for fiduciary powers of the Peoples National Bank, Rushville, Indiana.

Upon motion of Mr. Hamlin, it was voted to approve the application for fiduciary powers, of the Peoples National Bank of Rushville, Indiana, upon condition that the President of the Bank shall not continue as an officer or director, and upon the condition that the Examining Committee of the Bank shall become and remain active. Mr. Hamlin stated that if Mr. Mitchell, after examination of the application, does not concur with the terms of the above motion that he at the next meeting will move to reconsider.

Memorandum dated March 12th, from General Counsel, subject "Limitation on Amounts which State Member Banks may lend to one Customer".

Referred to the Law Committee.

Memorandum dated March 8th, from General Counsel, with reference to the salaries of Counsel at the several Federal Reserve banks, and recommending approval of the action of the Board of Directors of the Federal Reserve Bank of Atlanta, in designating the firm of Randolph and Parker as Counsel to the Federal Reserve Bank of Atlanta, instead of Mr. H. N. Randolph, individually, and to increase the compensation of their Counsel from \$2500 to \$3500 per annum,

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said memorandum having been referred to the Committee on Salaries and Charge  
Offs at the meeting of March 8th.

Upon motion of Mr. Mitchell, the recommendation of  
Counsel in this respect was approved.

Mr. Mitchell moved that the Board reconsider its action in disapproving  
an increase in the salary of the Governor of the Federal Reserve Bank of Min-  
neapolis, and that the matter be ordered docketed as special order business  
for the meeting tomorrow, March 15th.

Carried.

REPORTS OF COMMITTEE NO. 1

Dated March 14th, Recommending action on applications for changes in stock  
as set forth in the Auxiliary Minute Book of this date.  
Approved.

The meeting adjourned at 1:25 p.m.

W. W. Houston  
Secretary.

Approved:

Edmund Platt  
Vice Governor.