

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, September 9, 1930 at 12:00 o'clock noon.

PRESENT: Vice Governor Platt
Mr. Miller
Mr. Cunningham
Mr. McClelland, Asst. Secretary

The Assistant Secretary reported that Mr. Cunningham, as executive officer of the Board, under the authority granted by the Board at its meeting on August 8, 1930, approved a rediscount rate of 3 1/2% on all classes of paper of all maturities established by the directors of the Federal Reserve Bank of Dallas, effective today, September 9th.

Noted.

Matter approved on initials on September 6th, namely, application of the City National Bank of Morristown, Tennessee, for permission to reduce its capital stock from \$150,000 to \$100,000, which reduction will be supplemented by a voluntary cash contribution of \$31,000; approval having been given with the understanding that no money is to be returned to the stockholders and that certain assets to be removed through the reduction are to remain the property of the bank and the proceeds of their liquidation are to accrue to the bank.

Formally approved.

Memorandum from Counsel dated September 5th, with regard to the application of the First National Bank of Thomson, Ga., for permission to exercise fiduciary powers; Counsel pointing out that the capital of the bank is \$90,000, whereas under the present laws of Georgia trust companies doing a banking business and State banks exercising trust powers are required to

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have a capital of at least \$100,000, although a few Georgia banks and trust companies organized under old statutes or with special charters and having a capital less than \$100,000 are authorized to exercise trust powers. With his memorandum, Counsel submitted draft of a letter to the Federal Reserve Agent at Atlanta, based upon the previous policy of the Board, advising that under the circumstances the Board has decided not to grant permission to the First National Bank of Thomson to exercise trust powers.

Upon motion, the application was refused and the letter to the Federal Reserve Agent submitted by Counsel was ordered transmitted.

Reports of Committee on Salaries and Expenditures on lists submitted by Federal Reserve Banks of Philadelphia, St. Louis, Minneapolis and Dallas of employees for whom the directors of those banks authorized leaves of absence with pay, on account of illness, during the month of August, where the total of such absences since January 1, 1930 has exceeded thirty days; the Federal Reserve Bank of Minneapolis advising that an additional month's leave of absence has been granted Miss Adeline Johnson in order that she may fully recover from her serious illness.

Upon recommendation of the Committee on Salaries and Expenditures, the salary payments involved in the above leaves of absence were approved.

Letter dated September 5th from the Federal Reserve Agent at Boston, who is Chairman of the Conference of Federal Reserve Agents, requesting that he be advised of any topics which the Board would like to have considered at the forthcoming conference.

The matter was discussed by the members present who had no suggestion to make.

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Telegram dated September 9th from the Secretary of the Federal Reserve Bank of Minneapolis, advising that the board of directors at a meeting on that date made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Letter dated September 8th from the Federal Reserve Agent at Boston, requesting that the temporary designation of Mr. W. D. McRae, as Acting Assistant Federal Reserve Agent, be continued until October 1st.

Approved.

Letter dated September 3rd from the Federal Reserve Agent at San Francisco, referring to the Board's letter of August 6th with reference to classification for reserve purposes of certain deposits of the Bank of Italy National Trust and Savings Association; the Agent stating that an examination of the bank is now under way and that as soon as the report, which will be completed in about one month, has been analyzed, a reply will be made to the Board's letter.

Noted.

Letter dated September 4th from the Chairman of the Federal Reserve Bank of Boston, advising that Mr. Charles H. Merriman, recently appointed Class C Director of the bank, has resigned as director of the Morris Plan Company of Rhode Island.

Noted.

Memorandum from Counsel dated September 5th, with regard to foreign branches of the First National Bank of Boston established in Argentina and Cuba as sub-branches of offices in Buenos Aires and Havana, specifically

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authorized by the Board; Counsel submitting draft of a letter to the First National Bank of Boston, suggesting that in order to complete the Board's records and to remove any possible question as to the authority of the bank to operate the additional offices, formal applications be filed with the Board for approval.

Upon motion, the letter was approved and ordered transmitted.

REPORTS OF STANDING COMMITTEES:

- Dated, September 5th, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date.
6th, Recommendations approved.
8th,
- Dated, September 5th, Recommending action on an application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Recommendation approved.
- Dated, September 9th, Recommending approval of the application of Mr. Lloyd W. Smith for permission to serve at the same time as director of the Chase National Bank of the City of New York and as director of the Harris Trust & Savings Bank of Chicago, Ill.
Approved.

The meeting adjourned at 12:45 p.m.

C. W. W. Cleveland
Assistant Secretary.

Approved:

Edmund Platt
Vice Governor.