

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, January 12, 1931, at 11:30 a. m.

PRESENT: Governor Meyer
 Mr. Hamlin
 Mr. Miller
 Mr. James
 Mr. McClelland, Assistant Secretary.

The Governor made a short verbal report, for the information of the members present, of his visit to the Federal Reserve Bank of Chicago on Friday and Saturday of last week.

The Assistant Secretary then stated that under authority granted by the Board at its meeting on December 27th, Mr. Hamlin, as Acting Executive Officer, on January 8th approved a rediscount rate of 3% on all classes of paper of all maturities for the Federal Reserve Bank of San Francisco, effective January 9th, and that the Executive Committee on the same day approved for the San Francisco bank a minimum authorized buying rate on bankers' acceptances of 1 3/4%, and noted with approval the following schedule of effective buying rates on bankers' bills established by the bank, effective January 9th:

1 to 120 days	1 3/4%
121 to 180 days	2%

Upon motion, the actions taken by Mr. Hamlin and the Executive Committee were ratified.

The Assistant Secretary also stated that on January 9th Mr. Hamlin, as Acting Executive Officer, approved a rediscount rate of 3% on all classes of paper of all maturities for the Federal Reserve Bank of Chicago, effective January 10th.

Upon motion, the action taken by Mr. Hamlin was ratified.

The Assistant Secretary further reported that on January 9th Mr. Hamlin as Acting Executive Officer, approved a discount rate of 3%, on all classes

1/12/31

-2-

27

of paper of all maturities, as well as a repurchase rate of 3% on Government securities, for the Federal Reserve Bank of Atlanta, both effective January 10, 1931.

Upon motion, the action taken by Mr. Hamlin was ratified.

Matter approved on initials of the Executive Committee on January 9th, namely, application of the First National Bank of Cadiz, Ohio, made on behalf of the Union National Bank and Trust Company of Cadiz, for permission to exercise fiduciary powers, approval to be effective if and when the consolidation of the First National Bank, the Fourth National Bank and the Harrison National Bank takes place under the above title, and provided the consolidated institution has a paid-in capital of at least \$125,000 and a surplus of at least 20% of its capital.

Formally approved.

Letter dated January 8th from the Secretary of the Federal Reserve Bank of New York and telegram dated January 8th from the Chairman of the Federal Reserve Bank of Kansas City, advising that at meetings of their boards of directors on that date no changes were made in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Reports of Committee on Salaries and Expenditures on lists submitted by the Federal Reserve Banks of Philadelphia, Cleveland, Richmond, Atlanta, St. Louis, Kansas City and Dallas, of employees for whom the directors of those banks approved leaves of absence with pay, on account of illness, during the month of December, where the total of such absences since January 1, 1930 has exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

1/12/31

-3-

Letter dated January 7th from the Treasurer of the United States, advising that his office has received no applications from national banks for the sale of bonds, under Section 18 of the Federal Reserve Act, during the quarter ending December 31, 1930.

Noted.

Letters dated January 9th from the Chairman and Secretary of the Federal Reserve Bank of Atlanta, advising of the election by the board of directors at its meeting on that date, of officers to serve at the Atlanta bank, its branches and agencies during 1931; the only changes not previously reported to the Board being the election of Mr. H. F. Conniff, formerly Assistant Cashier, as Deputy Governor; Mr. W. S. McLarin, Jr., formerly Managing Director of the Jacksonville Branch, as Assistant Deputy Governor; and of Mr. Hugh Foster, formerly Deputy Governor of the Atlanta bank, as Managing Director of the Jacksonville Branch to succeed Mr. McLarin; the letters also advising of the election of Mr. J. P. Butler as a member of the Federal Advisory Council representing the Sixth Federal Reserve District for the year 1931.

Noted.

Letter dated January 9th from the Chairman of the Federal Reserve Bank of Chicago, advising of (1) the appointment of officers of the bank and Standing Committees of the Board, (2) the reappointment of Mr. Melvin A. Traylor as a member of the Federal Advisory Council representing the Seventh Federal Reserve District for the year 1931, with Mr. Arthur Reynolds as alternate, and (3) the reappointment of Mr. George B. Morley as a Director of the Detroit Branch for the period of three years beginning January 1,

1/12/31

-4-

1931.

Noted.

The Assistant Secretary then stated that advice has been received from the Federal Reserve Bank of St. Louis of the reappointment of Mr. Walter W. Smith as a member of the Federal Advisory Council representing the Eighth District, the directors voting him an allowance of \$1,000 per annum in lieu of actual expenses; and from the Federal Reserve Bank of Kansas City, advising of the reappointment of Mr. Walter S. McLucas as a member of the Federal Advisory Council representing the Tenth District, for the year 1931.

Noted, and the allowance fixed for Mr. Smith approved.

Reports of Committee on Salaries and Expenditures on letter dated January 7th from the Assistant Deputy Governor of the Federal Reserve Bank of Chicago, requesting approval of a change in the personnel classification plan of the Detroit Branch of that bank, and letters dated January 6th and 7th from the Deputy Governor of the Federal Reserve Bank of St. Louis, requesting approval of changes in the personnel classification plans of the head office and the Louisville and Memphis Branches of that bank; the Board's Committee also recommending approval.

Approved.

Letter dated January 7th from the Chairman of the Federal Reserve Bank of St. Louis, replying to the Board's letter of December 29, 1930 with regard to the service of Mr. W. F. Huthsteiner as a member of the local school board at Tell City, Indiana; the letter stating that the board of directors of the St. Louis bank has expressed the opinion that Mr. Huthsteiner's service is not a violation of the spirit of the Board's

1/12/31

-5-

ruling and requests that he be permitted to continue as a member of the local school board until the expiration of his term.

Upon motion, it was voted to approve the request of the directors of the St. Louis bank.

Letter dated January 10th from the Assistant Federal Reserve Agent at New York with regard to the reduction of the capital stock of the National Safety Bank and Trust Company of New York, New York, from \$2,857,200 to \$1,428,600, and its immediate increase thereafter to \$1,500,000, which was approved by the Board on November 28, 1930; the letter advising that because of unexpected changes in the local banking situation since the end of November, including a shrinkage in the bank's deposits from approximately \$9,000,000 to \$4,000,000, it is felt inadvisable to ask the shareholders of the bank to pay in the proposed \$71,400 of new capital at this time, and recommending that the original plan for reduction of capital be approved without the requirement of the subsequent increase to \$1,500,000. The Assistant Secretary stated that the matter has been taken up by the applicant bank with the Comptroller of the Currency, and it is his understanding that the Comptroller will submit a favorable recommendation on the proposed reduction for approval by the Federal Reserve Board.

After discussion, upon motion, it was voted to approve the reduction as recommended by the Assistant Federal Reserve Agent of the New York bank upon receipt of favorable recommendation from the Comptroller of the Currency.

Letter dated January 8th from the Federal Reserve Agent of the Federal Reserve Bank of Dallas, replying to the Board's letter of November 25th with regard to the reserve deficiencies of the Athens National Bank, Athens,

1/12/31

-6-

Texas; the Agent's letter stating that the reserve account of the member bank was deficient for both computation periods in December, and that after further studying and carefully reconsidering all of the facts in connection with the case, he has requested the President of the bank and some of the directors to meet at the bank for a conference today, following which a final recommendation will be made to the Board.

Noted.

Memorandum from Counsel dated January 6th calling attention to H. Res. 328, a resolution introduced by Congressman Howard on January 5, 1931, and referred to the Committee on Rules, which would direct the Committee on Banking and Currency to investigate the charge made by the Chairman of the Committee that the "New York Branch of the Federal Reserve System under present management" is "a disturber of business conditions in the United States" and "a hand maid of the interests of certain international bankers."

Noted.

Mr. Hamlin then presented a letter dated January 10th, from the Governor of the Federal Reserve Bank of St. Louis, with regard to the supplying of currency to banks during the recent period of strain in that district.

At the request of Mr. Hamlin, the letter was ordered circulated.

REPORTS OF STANDING COMMITTEES:

Dated, January 9th	Recommending changes in stock at Federal Reserve Banks,
10th	as set forth in the Auxiliary Minute Book of this date.
11th	Recommendations approved.
Dated, January 10th	Recommending approval of the application of Mr. George E. Warren, for permission to serve at the same time as a director of the First-Stamford National Bank of

1/12/31

-7-

REPORTS OF STANDING COMMITTEES: (Continued)

Stamford, Conn., and as an officer of The Chase National Bank of the City of New York, N. Y.

Approved.

The meeting adjourned at 12:30 p. m.

E. W. McClelland

Assistant Secretary.

Approved:

Augustus B. ...
Governor.

(Executive
Committee)AUXILIARY MINUTES
(January 12, 1931)

Reports of Standing Committee dated January 9th, 10th and 11th,
recommending changes in stock at Federal Reserve Banks, approved as follows:

Applications for ADDITIONAL Stock:District No. 5.

	<u>Shares</u>	
First National Farmers Bank, Wytheville, Va.	60	60

District No. 7.

LaRose National Bank, LaRose, Illinois.	1	
United Savings Bank, Detroit, Michigan.	60	61

Total		121
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Applications for SURRENDER of Stock:District No. 3.

Farmers & Merchants National Bank, Tyrone, Pa. (Insolvent)	180	180
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District No. 6.

First National Bank, Perry, Florida. (Insolvent)	60	
Holston-Union National Bank, Knoxville, Tennessee.	900	960

District No. 7.

First National Bank, Sioux City, Iowa. (Insolvent)	678	
Sioux National Bank in Sioux City, Iowa. (Insolvent)	300	
Kansas National Bank, Kansas, Ill. (Insolvent)	60	1,038

District No. 9.

Malta National Bank, Malta, Montana. (V.L.Abs. by First State Bank of Malta.)	48	48
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District No. 10.

First National Bank, Hulbert, Oklahoma. (V.L.Suc. by First National Bank of Hulbert.)	18	18
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District No. 11.

City National Bank, Bowie, Texas. (V.L.Abs. by First National Bank of Bowie.)	60	
Moore National Bank, Moore, Texas. (V.L.Abs. by Pearsall National Bank of Pearsall, Texas.)	18	
First State Bank, Stamford, Texas. (V.L.Abs. by Stamford State Bank.)	63	141
Total		2,385

C. W. W. Cleveland
Assistant Secretary.

Approved

C. W. W. Cleveland
Governor.