

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, January 28, 1931, at 11:15 a. m.

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

The Assistant Secretary presented various items of business which were considered by the Board and acted upon as follows:

Matter noted with approval by the Executive Committee on January 26th, namely, telegram dated January 26th from the Governor of the Federal Reserve Bank of Boston, advising of the establishment by that bank of the following schedule of buying rates on acceptances:

Bankers acceptances:

1 to 45 days	1 1/2%
46 to 120 days	1 5/8%
121 to 180 days	2%
Repurchase	1 5/8%

Trade acceptances 2%

There being no objection, the establishment of the above schedule at the Boston bank was formally noted with approval.

Telegram dated January 27th from the Secretary of the Federal Reserve Bank of Atlanta, advising of the establishment of the following schedule of buying rates on bankers' acceptances:

1 to 45 days	1 1/2%
46 to 120 days	1 5/8%
121 to 180 days	2%
Repurchase	1 5/8%

Without objection, noted with approval.

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Telegram dated January 26th from the Governor of the Federal Reserve Bank of St. Louis, and letter of the same date from the Secretary of the Federal Reserve Bank of Kansas City, advising of the establishment of the following schedule of buying rates on bankers' acceptances:

1 to 45 days	1 1/2%
46 to 120 days	1 5/8%
121 to 180 days	2%

Without objection, noted with approval.

Telegram dated January 27th from the Secretary of the Federal Reserve Bank of Minneapolis, advising of the establishment of the following schedule of buying rates on acceptances:

Bankers acceptances:

1 to 45 days	1 1/2%
46 to 120 days	1 5/8%
121 to 180 days	2%
Repurchase	1 5/8%

Trade acceptances 2%

Without objection, noted with approval.

Telegram dated January 26th from the Chairman of the Federal Reserve Bank of Richmond, advising of the establishment on January 27th, of the following schedule of buying rates on bankers' acceptances:

1 to 45 days	1 5/8%
46 to 120 days	1 3/4%
121 to 180 days	2 1/8%

Without objection, noted with approval.

Report of Executive Committee on letter dated January 26th from the Deputy Governor of the Federal Reserve Bank of Cleveland, requesting approval by the Board, for reasons stated, of an increase of \$153 in the bank's contract

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with the Lyon Metal Products, Incorporated, covering the installation of steel lockers in the new Pittsburgh Branch building; the Board's Committee recommending approval.

Approved.

Letter dated January 27th from the Assistant Federal Reserve Agent at New York, advising that the Marine Trust Company of Buffalo, a member bank, as of January 23, 1931, took over the offices and business of the Commercial Trust Company of Buffalo, New York, a non-member institution; that action being the result of steps taken by the local bankers because of the unsatisfactory condition of the affairs of the Commercial Trust Company.

Noted without objection.

Letter dated January 27th from the Assistant Federal Reserve Agent at New York, advising that S. Lunghino and Sons, private bankers, Rochester, New York, affiliated with the Commercial Trust Company of Buffalo, above referred to, have been taken over by the State Banking Department because of financial difficulties.

Noted.

Report of Executive Committee, submitting draft of reply to letter dated January 23rd from the Assistant Federal Reserve Agent at Chicago, transmitting notice received on January 23rd from the Lowden Savings Bank, Lowden, Iowa, of its intention to withdraw from membership, with a request of the member bank that the Board waive the usual six month's notice; the proposed reply stating that it does not appear that any unusual circumstances exist which make it advisable for the Board to waive the six months' requirement, and unless further information is submitted and a recommendation is made by the Executive Committee of the Chicago bank that the Board re-

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consider this decision, the bank is authorized to cancel the stock held by the Lowden Savings Bank at the end of the six months period.

Upon motion, the letter submitted by the Board's Committee was approved.

Letter dated January 26th from the Director of Accounts and Statistics of the American Red Cross, requesting that the Board advise that organization of all failures reported to it of state and private banks in the United States.

After discussion, upon motion, it was voted to furnish The Red Cross with the information requested, with the understanding, as in other cases, that it is forwarded without verification of the reports received and without responsibility on the part of the Federal Reserve Board for errors or omissions.

Memorandum from Counsel dated January 26th, with regard to a report by the Federal Reserve Agent at Philadelphia, that since the Board granted Mr. H. A. Berwind permission to serve as a director of the Fourth Street National Bank and of the Commercial Trust Company, both of Philadelphia, Pennsylvania, each of these banks has been involved in two consolidations, and Mr. Berwind's service as a director of the consolidated bank has been continuous in each case; the memorandum submitting draft of a letter to the Federal Reserve Agent at Philadelphia, advising that inasmuch as the continuance of Mr. Berwind's services will not, in the Agent's opinion, be incompatible with the public interest, the Board has determined that it will take no action at this time to revoke the permit previously granted.

Upon recommendation of the Law Committee, the letter submitted with Counsel's memorandum was approved.

Memorandum from Counsel dated January 26th, submitting a letter from

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the Federal Reserve Agent at Philadelphia, calling attention to the fact that since the Board granted permission to Mr. Walter K. Hardt to serve as an officer of the Fourth Street National Bank, and as a director of the West Philadelphia Title and Trust Company, both of Philadelphia, Pennsylvania, these two banks have been involved in consolidations, and Mr. Hardt is now serving as a director of the Philadelphia National Bank and as an officer and director of the Integrity Trust Company, the two resulting consolidated institutions; the memorandum stating that inasmuch as the Federal Reserve Agent at Philadelphia has advised that, in his opinion, the continuance of Mr. Hardt's services will not be incompatible with public interest, the Board may issue a new permit covering Mr. Hardt's service of the two consolidated institutions.

Upon recommendation of the Law Committee, it was voted to issue a new certificate to Mr. Hardt, and draft of letter to the Federal Reserve Agent at Philadelphia, submitted with Counsel's memorandum, advising accordingly, was approved and ordered transmitted.

Memorandum from Counsel dated January 26th suggesting that the Board issue a new permit to Mr. Paul S. Dick, covering service by him as a director of the United States National Bank in addition to his service, approved by the Board on January 5, 1931, as an officer of the United States National Bank, as a director of the Citizens National Bank and as a director of the Central National Bank, all of Portland, Oregon.

Upon recommendation of the Law Committee, it was voted to issue a new certificate to Mr. Dick in accordance with Counsel's suggestion.

Memorandum from Counsel dated January 26th, approved by the Law Committee, with regard to letter from Mr. Carl E. Bailey, Prosecuting Attorney

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for the Sixth Judicial District of the State of Arkansas, referred to him at the meeting on January 19th, requesting cooperation of the Board in a proposed investigation of the facts leading up to the closing of the American Exchange Trust Company of Little Rock; Counsel recommending (1) that the Board request the Federal Reserve Agent at St. Louis to assign an examiner to assist Mr. Bailey in conducting his investigation of the affairs of the American Exchange Trust Company and the affairs of any other member banks of the Federal Reserve System; (2) in order that it may have adequate information on this general subject, that the Board also request the Federal Reserve Agent at St. Louis to compile and forward to the Board a report with regard to various phases of the matter; (3) that Mr. Drinnen, who is now in St. Louis, be requested to visit Little Rock and confer with the United States Attorney, the State Prosecuting Attorney and the officers of the Little Rock Branch, and report to the Board along certain lines laid down, and (4) that after Mr. Drinnen's report is received, the matter be fully discussed with a view of deciding whether the Board should take any further steps to assist in the proposed investigation. With his memorandum, Counsel submitted drafts of letters along the lines recommended by him, to the Attorney General of the United States, Senator Caraway, from whom a letter on the subject was also received, the Federal Reserve Agent at St. Louis, and Mr. Bailey.

During the discussion which followed, Mr. James stated that he would be opposed to an examiner being sent from the Federal Reserve Bank of St. Louis to assist in the proposed investigation, and suggested that the Board send one of its own examiners to Little Rock for that purpose.

At the conclusion of the discussion, it was voted to refer the entire matter to the Governor with power.

At this point Governor Young, of the Federal Reserve Bank of Boston,

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REPORTS OF STANDING COMMITTEES (Continued)

Dated, January 27th Recommending approval of the application of Mr. P. C. Willis, for permission to serve at the same time as an officer of the Commercial National Bank of Shreveport, La., and as a director and officer of the First National Bank, Gibsland, La.

Approved.

Dated, January 27th Recommending approval of the application of Mr. Ben Johnson, for permission to serve at the same time as a director of the First National Bank of Gibsland, La., and as a director and officer of the Commercial National Bank of Shreveport, La.

Approved.

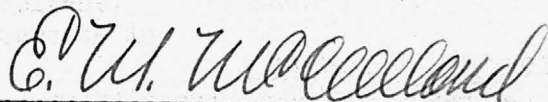
Dated, January 27th Recommending approval of the application of Mr. R. T. Moore, for permission to serve at the same time as a director of the First National Bank of Gibsland, La., and as a director and officer of the Commercial National Bank of Shreveport, La.

Approved.

Dated, January 27th Recommending approval of the application of Mr. Horace M. Stone, for permission to serve at the same time as a director of the Lincoln National Bank & Trust Company of Syracuse, N. Y., and as a director of the First National Bank of Marcellus, N. Y.

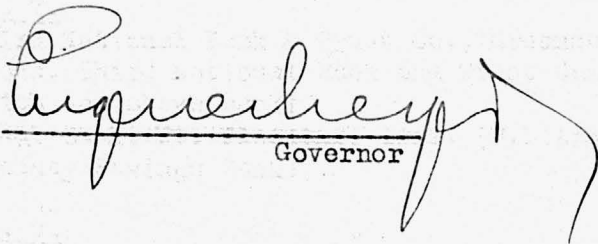
Approved.

The meeting adjourned at 1:00 p. m.



Assistant Secretary

Approved:


Governor

AUXILIARY MINUTES
(January 28, 1931.)

Reports of Standing Committee dated January 27th and 28th, recommending changes in stock at Federal Reserve Banks, approved as follows:

<u>Applications for ADDITIONAL Stock:</u>	<u>Shares</u>	
<u>District No. 6.</u>		
Sanford-Atlantic National Bank, Sanford, Florida.	3	
First National Bank, Winter Garden, Florida.	<u>1</u>	4
<u>District No. 7.</u>		
First National Bank, Council Bluffs, Iowa.	6	
First National Bank, Watervliet, Michigan.	13	
Harris Trust and Savings Bank, Chicago, Illinois.	<u>600</u>	619
<u>District No. 12.</u>		
Citizens Commercial Trust & Savings Bank, Pasadena, Cal.	45	45
	<u>Total</u>	<u>668</u>
<u>Applications for SURRENDER of Stock:</u>		
<u>District No. 4.</u>		
Union National Bank and Trust Co., Cadiz, Ohio. (Cons. First National Bank, Fourth National Bank and Harrison National Bank of Cadiz, with the above bank)	114	114
<u>District No. 5.</u>		
First National Bank, Charlotte, N. C. (Insolvent)	420	
First National Bank, Northfork, W. Va. (Decrease in surplus)	<u>30</u>	450
<u>District No. 7.</u>		
Citizens Third National Bank & Trust Co., Greensburg, Ind. (Cons. Third National Bank and Trust Company, with the above bank)	90	
First National Bank, Mt. Pleasant, Iowa. (V.L.Abs. by Henry County Savings Bank)	<u>90</u>	180
<u>District No. 8.</u>		
First National Bank, Rogers, Ark. (Insolvent)	45	
Louisville Trust Co., Louisville, Ky. (Insolvent)	<u>1,710</u>	1,755
<u>District No. 9.</u>		
First National Bank, Hancock, Minn. (V.L.Abs. by Hancock National Bank)	21	21
<u>District No. 10.</u>		
First National Bank, Berwyn, Okla. (Insolvent)	18	
American National Bank, Tonkawa, Okla. (V.L. Abs. by First National Bank in Tonkawa)	<u>18</u>	36

	<u>Shares</u>	
<u>District No. 11.</u>		
First National Bank in Electra, Texas. (V.L.Abs. by First State Bank of Electra)	60	60
<u>District No. 12.</u>		
First National Bank, Eureka, Calif. (V.L.Abs. by Bank of America National Trust and Savings Association)	360	
First National Bank, Flagstaff, Ariz. (V.L.Abs. by Arizona Central Bank)	33	
First National Bank in Berkeley, Calif. (V.L.Abs. by Bank of America National Trust and Savings Association)	285	678
	<u>Total</u>	<u>3,294</u>

Reports of Standing Committee dated January 26th, recommending action on applications for fiduciary powers by the following banks:

APPROVED:

DISTRICT NO. 1.

MASSACHUSETTS:

The Beverly National Bank, Beverly. (Supplementary)
(Powers 5 to 9, inc.)

DISTRICT NO. 5.

NORTH CAROLINA:

The Citizens National Bank of Gastonia. (3333)

C. W. McCalland
Assistant Secretary.

Approved: *[Signature]*
Governor.