A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, February 6, 1931, at 10:20 a.m.

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

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

Matters informally approved by the Executive Committee on January 31st and February 4th, namely, applications of the Farmers National Bank, Norway, S. C., for the surrender of 21 shares of stock in the Federal Reserve Bank of Richmond, and of the Lincoln National Bank and Trust Company, Lincoln, Nebraska, for surrender of 144 shares of stock in the Federal Reserve Bank of Kansas City.

Formally approved.

Matter approved on initials on January 31st, namely, application of the Citizens State Bank, Jamestown, Indiana, for membership in the Federal Reserve System and for 30 shares of stock in the Federal Reserve Bank of Chicago; approval having been given subject to the regular conditions of membership set out in Regulation "H".

Formally approved.

Letter to the Chairman of the Open Market Policy Conference, approved on initials on January 30, advising that the Board has considered the report submitted by the Conference; has also taken into consideration the discussion which followed its presentation at the joint meeting of the Conference and the Board on January 21st, and in the light of that discussion, has voted to approve the report with one amendment of which the Board was advised by the Chairman of the Conference subsequent to the joint meeting.

Formally approved.
Letter to the Federal Reserve Agent of the Federal Reserve Bank of Philadelphia, approved on initials on January 30th, replying to his letter of January 5th, and advising that the Board has no objection to his proceeding with the preliminary steps necessary for the preparation of an exhibit for display at the forthcoming convention of the American Bankers Association; the letter also suggesting that it might be beneficial if the Committee which is to be appointed by the Board for the purpose of arranging an exhibit to be made at the Chicago World Fair in 1933, were to cooperate with the Agent's staff in the preparation of the material for the American Bankers Association's exhibit.

Formally approved.

Report of Committee on Salaries and Expenditures, approved on initials on February 3rd, on letter dated January 22nd from the Deputy Governor of the Federal Reserve Bank of Minneapolis, submitting certain changes in the personnel classification plan of that bank; the Board's Committee recommending approval of the changes.

Formally approved.

Letter dated January 26th from the Chairman of the Federal Reserve Bank of Dallas, advising of the establishment on that date of the following schedule of buying rates on bankers' acceptances:

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 45 days</td>
<td>1 1/2%</td>
</tr>
<tr>
<td>46 to 120 days</td>
<td>1 5/8%</td>
</tr>
<tr>
<td>121 to 180 days</td>
<td>2%</td>
</tr>
<tr>
<td>Repurchase</td>
<td>1 5/8%</td>
</tr>
</tbody>
</table>

Without objection, noted with approval.

Letters dated January 29th and February 5th from the Secretary of the Federal Reserve Bank of New York, and telegrams dated February 4th from the Chairman of the Federal Reserve Bank of Philadelphia, February
4th from the Chairman of the Federal Reserve Bank of St. Louis, and February 5th from the Chairman of the Federal Reserve Bank of San Francisco, all advising that at meetings of their boards of directors on the dates stated, no changes were made in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Telegram dated February 3rd from Deputy Governor Kenzel of the Federal Reserve Bank of New York, advising that because of the development of a demand in excess of the supply of new bills, dealers on that date reduced their bid and asked rates 1/8% on acceptances of all maturities; no change being made in the existing schedule of buying rates at the New York bank.

Noted.

Telegram dated February 5th from the Chairman of the Federal Reserve Bank of Richmond, advising that at the meeting of his board of directors on that date, no change was made in the bank's existing schedule of rates of discount and purchase; also, that the bank, for the present, will not participate in further purchases of bills made by the Open Market Policy Conference.

Without objection, noted with approval.

Telegram dated February 2nd from the Chairman of the Federal Reserve Bank of St. Louis, and letter of the same date from the Board's Examiner in Charge, advising that in accordance with the suggestion contained in the Board's letters of January 29th, an appointment has been made for a conference at Little Rock on Tuesday, February 3rd, with State and Federal
Attorneys and officials of the Little Rock Branch with regard to the
proposed investigation of the events leading up to the failure of the
American Exchange Trust Company of Little Rock; the Agent's telegram stating
that the Board will be fully advised upon his return to St. Louis.

Noted.

Memorandum from Counsel dated January 29th, with regard to a
report of the Division of Examination that a recent examination of the
Depositors State Bank of Chicago, a member bank, indicates that the bank
is affiliated with the Depositors Securities Company, and that the latter is
carrying in its assets 54 shares of the stock of the member bank; the memo-
randum submitting draft of a letter to the Federal Reserve Agent at Chicago
requesting additional information on the matter so that the Board may deter-
mine whether the holding of the stock of the member bank by its affiliate
is in violation of Section 9 of the Federal Reserve Act.

Upon recommendation of the Law
Committee, the proposed letter was approved.

Draft of reply, approved by the Committee on District No. 11, to
letter dated February 2nd from the Federal Reserve Agent at Dallas, with
further reference to the reserve record of the Athens National Bank, Athens,
Texas; the proposed reply advising that although a copy of the Agent's
letter is being forwarded to the Comptroller of the Currency for his infor-
mation, the Board will take no action at this time, pending receipt of
advice as to results accomplished through the action of the Chief National
Bank Examiner, who has instructed one of his men to proceed to Athens and
convene the board of directors of the bank with a view of ascertaining why
its reserve has not been restored and to make a special examination of the
bank if deemed advisable.
Upon motion, the proposed letter was approved.

Memorandum from Counsel dated January 29th, approved by the Law Committee, submitting draft of a reply, for the signature of the Secretary of the Treasury, to a letter received by him from Senator Sheppard, enclosing a suggestion from one of his constituents that the principal and interest on State, County and City bonds be made payable at the Federal Reserve bank of the district in which the bonds are issued; the proposed letter advising, for reasons stated, that the Federal Reserve Board and the Treasury Department do not favor the proposal.

Upon motion, the proposed letter was approved.

The Assistant Secretary then called attention to the fact that the last report of examination of the Federal Reserve Bank of Atlanta contains a statement of certain actions on the part of the President of the Interstate Trust and Banking Company, New Orleans, Louisiana, disclosed by an examination of the institution on August 30, 1930, which may involve violations of Section 9 of the Federal Reserve Act. He stated that this matter has not been reported to the Board by the Federal Reserve Agent at Atlanta, either through an analysis of the report of examination of the bank or by letter, and inquired whether in view of conditions in New Orleans, the Board desired to take any action or to request further information from the Federal Reserve Agent at Atlanta.

After some discussion, during which it was the consensus of opinion that no action should be taken at this time, it was voted to suspend the matter for a period of three months.

Mr. Miller then reported that he yesterday discussed over the
telephone with the Federal Reserve Agent of the Federal Reserve Bank of Chicago the present banking situation in that city, and in response to his inquiry, Mr. Stevens had stated that he is in close touch with the banks and the situation generally in Chicago and feels the Federal Reserve bank is prepared to deal with any emergency that might arise, and that he believes, in so far as the immediate outlook is concerned, the banking situation is very much improved.

The minutes of the meeting of the Executive Committee of the Federal Reserve Board with the Open Market Policy Conference held on January 21st, having been read by the individual members of the Board, as amended, were approved.

The minutes of the meeting of the Federal Reserve Board held on January 29th, having been read by the individual members of the Board, were approved.

REPORTS OF STANDING COMMITTEES:

Dated, January 31st
February 3rd
4th
5th
6th

Dated, February 4th

Dated, February 4th

Dated, January 29th

Recommending changes in stock at Federal Reserve banks, as set forth in the Auxiliary Minute Book of this date.

Recommendation approved.

Recommending action on an application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Recommendation approved.

Recommending action on an application for admission of a state bank, subject to the conditions stated in the individual reports attached to the application, as set forth in the Auxiliary Minute Book of this date.

Recommendation approved.

Recommending approval of the application of Mr. Carl R. Gray, for permission to serve at the same time as a director of the First National Bank of Chicago, Ill., and as a director of the Omaha National Bank of Omaha, Nebraska.

Approved.
REPORTS OF STANDING COMMITTEES:

Dated, January 29th Recommending approval of the application of Mr. C. L. Biedenharn, for permission to serve at the same time as a director and officer of the First National Bank of Shreveport, La., and as a director of the State National Bank, Texarkana, Ark.

Approved.

Dated, January 29th Recommending approval of the application of Mr. J. Thomas Kelley, Jr., for permission to serve at the same time as a director of the National Metropolitan Bank of Washington, D. C., and as a director of the Montgomery County National Bank, Rockville, Md.

Approved.

Dated, January 29th Recommending approval of the application of Mr. Charles B. Hawley, for permission to serve at the same time as a director of the National Metropolitan Bank of Washington, D. C., and as a director of the Munsey Trust Company of Washington, D. C.

Approved.

Dated, January 29th Recommending approval of the application of Mr. George W. White, for permission to serve at the same time as a director of the National Metropolitan Bank of Washington, D. C., and as a director of the Park Savings Bank of Washington, D. C.

Approved.

Dated, January 31st Recommending approval of the application of Mr. Robert Barbour, for permission to serve at the same time as a director of the First National Bank of Paterson, N. J., as a director and officer of the Hamilton Trust Company of Paterson, N. J., and as a director of the Paterson Savings Institution of Paterson, N. J.

Approved.

Dated, January 31st Recommending approval of the application of Mr. Garrett A. Hobart, for permission to serve at the same time as a director of the First National Bank of Paterson, N. J., and as a director and officer of the Paterson Savings Institution of Paterson, N. J.

Approved.

Dated, January 31st Recommending approval of the application of Mr. Charles L. Auger, for permission to serve at the same time as a director of the First National Bank of Paterson, N. J., as a director of the Hamilton Trust Company of Paterson, N. J., and as a director of the Paterson Savings Institution of Paterson, N. J.

Approved.

Dated, January 31st Recommending approval of the application of Mr. Victor H. Rannecke, for permission to serve at the same time as a director of the Washington Park National Bank of Chicago, Ill., and as a director of the Beverly State Savings Bank of Chicago, Ill.

Approved.
REPORTS OF STANDING COMMITTEES:

Dated, January 31st Recommending approval of the application of Mr. Robert H. McDowell, for permission to serve at the same time as a director and officer of the Ogdensburg Trust Company of Ogdensburg, N. Y., as a director of the First National Bank of Winthrop, N. Y., and as a director of the Frontier National Bank of Morristown, N. Y.

Approved.

Dated, February 3rd Recommending approval of the application of Mr. Wade H. Cooper, for permission to serve at the same time as a director and officer of the Commercial National Bank of Washington, D. C., and as a director and officer of the U. S. Savings Bank of Washington, D. C.

Approved.

Dated, February 4th Recommending approval of the application of Mr. Ralph Budd, for permission to serve at the same time as a director of the Northwestern National Bank of Minneapolis, Minn., and as a director of the First National Bank of St. Paul, Minnesota.

Approved.

Dated, February 4th Recommending approval of the application of Mr. Charles Donnelly, for permission to serve at the same time as a director of the First National Bank of St. Paul, Minn., and as a director of the Northwestern National Bank, Minneapolis, Minn.

Approved.

Dated, February 4th Recommending approval of the application of Mr. James F. Bell, for permission to serve at the same time as a director of the First National Bank of St. Paul, Minn., and as a director of the Northwestern National Bank of Minneapolis, Minnesota.

Approved.

Dated, February 4th Recommending approval of the application of Mr. Henry A. Scandrett, for permission to serve at the same time as a director of the First National Bank of St. Paul, Minn., as a director of the Northwestern National Bank of Minneapolis, Minn., and as a director of the Continental Illinois Bank & Trust Co., of Chicago, Ill.

Approved.

Dated, February 4th Recommending approval of the application of Mr. N. P. Delander, for permission to serve at the same time as a director of the First National Bank of St. Paul, Minn., and as a director of the First State Bank of St. Paul, Minn.

Approved.

Dated, February 4th Recommending approval of the application of Mr. A. A. McDonnell, for permission to serve at the same time as a director of the First National Bank of St. Paul, Minn., and as a director and officer of the Lumbermens National Bank of Chippewa Falls, Wis.

Approved.
REPORTS OF STANDING COMMITTEES:

Dated, February 4th

Recommending approval of the application of Mr. Frank Schlick, for permission to serve at the same time as a director of the First National Bank of St. Paul, Minn., as a director of the State Savings Bank of St. Paul, Minn., and as a director of the Grand Avenue State Bank, St. Paul, Minn.

Approved.

Dated, February 4th

Recommending approval of the application of Mr. R. W. Lindeke, for permission to serve at the same time as an officer of the First National Bank of St. Paul, Minn., as a director of the Farmers & Merchants State Bank of St. Paul, Minn., and as a director and officer of the First Veterans State Bank of St. Paul, Minn.

Approved.

Dated, February 4th

Recommending approval of the application of Mr. William N. Pope, for permission to serve as a director and officer of the First Trust & Deposit Co., Syracuse, N. Y., as a director and officer of the North Syracuse National Bank of North Syracuse, N. Y., and as a director of the First National Bank of Canastota, N. Y.

Approved.

Dated, February 5th

Recommending approval of the application of Mr. Louis H. Gathoefer, for permission to serve at the same time as a director of the First National Bank of Wilkinsburg, Penna., and as a director of the Peoples-Pittsburgh Trust Co; Pittsburgh, Pa.

Approved.

The meeting adjourned at 11:20 a. m.

[Signatures]

Approved:

[Signature]

Governor.
AUXILIARY MINUTES
(Febuary 6, 1931.)

Reports of Standing Committee dated January 31st, February 3rd, 4th, 5th, and 6th, recommending changes in stock at Federal Reserve Banks, approved as follows:

Application for ORIGINAL Stock:

<table>
<thead>
<tr>
<th>District No. 11</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>First National Bank in Hemphill, Texas</td>
<td>18</td>
</tr>
</tbody>
</table>

Application for ADDITIONAL Stock:

<table>
<thead>
<tr>
<th>District No. 1</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Bank of New England, East Haddam, Conn.</td>
<td>3</td>
</tr>
<tr>
<td>First National Bank, Middletown, Conn.</td>
<td>15</td>
</tr>
<tr>
<td>Thomaston National Bank, Thomaston, Maine.</td>
<td>15</td>
</tr>
<tr>
<td>Bank of Commerce &amp; Trust Co., Boston, Mass.</td>
<td>1</td>
</tr>
<tr>
<td>Day Trust Company, Boston, Mass.</td>
<td>3</td>
</tr>
<tr>
<td>Peoples National Bank, Southbridge, Mass.</td>
<td>11</td>
</tr>
<tr>
<td>Wolfeboro National Bank, Wolfeboro, N. H.</td>
<td>41</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District No. 2</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>First National Bank, Fairview, N. J.</td>
<td>2</td>
</tr>
<tr>
<td>First National Bank, Brewster, N. Y.</td>
<td>1</td>
</tr>
<tr>
<td>First National Bank, Glen Head, N. Y.</td>
<td>6</td>
</tr>
<tr>
<td>Lackawanna National Bank, Lackawanna, N. Y.</td>
<td>3</td>
</tr>
<tr>
<td>First National Bank, North Tarrytown, N. Y.</td>
<td>15</td>
</tr>
<tr>
<td>Saranac Lake National Bank, Saranac Lake, N. Y.</td>
<td>3</td>
</tr>
<tr>
<td>Tottenville National Bank, Tottenville, N. Y.</td>
<td>1</td>
</tr>
<tr>
<td>Rochelle Park Bank, Rochelle Park, N. J.</td>
<td>5</td>
</tr>
<tr>
<td>Kingston Trust Company, Kingston, N. Y.</td>
<td>15</td>
</tr>
<tr>
<td>The American Bank, Lackawanna, N. Y.</td>
<td>6</td>
</tr>
<tr>
<td>Nassau County Trust Co., Mineola, N. Y.</td>
<td>94</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>District No. 4</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noble County National Bank, Caldwell, Ohio</td>
<td>3</td>
</tr>
<tr>
<td>National Bank of Defiance, Defiance, Ohio</td>
<td>1</td>
</tr>
<tr>
<td>First National Bank &amp; Trust Co., Findley, Ohio</td>
<td>60</td>
</tr>
<tr>
<td>Commercial National Bank, Tiffin, Ohio</td>
<td>15</td>
</tr>
<tr>
<td>National Bank of Adams County, West Union, Ohio</td>
<td>1</td>
</tr>
<tr>
<td>First National Bank, Albion, Pa.</td>
<td>3</td>
</tr>
<tr>
<td>National Bank of Corry, Pa.</td>
<td>15</td>
</tr>
<tr>
<td>First National Bank, Fryburg, Pa.</td>
<td>3</td>
</tr>
<tr>
<td>Clarion County National Bank, Edinburg, (Knox, P.O.) Pa.</td>
<td>15</td>
</tr>
<tr>
<td>Parnassus National Bank, Parnassus, Pa.</td>
<td>15</td>
</tr>
<tr>
<td>First National Bank, Reynoldsville, Pa.</td>
<td>45</td>
</tr>
<tr>
<td>American Trust &amp; Savings Bank, Middletown, Ohio</td>
<td>3</td>
</tr>
<tr>
<td>Minerva Banking Company, Minerva, Ohio</td>
<td>3</td>
</tr>
<tr>
<td>Peoples-Pittsburgh Trust Co., Pittsburgh, Pa.</td>
<td>82</td>
</tr>
<tr>
<td>Potter Title &amp; Trust Co., Pittsburgh, Pa.</td>
<td>294</td>
</tr>
</tbody>
</table>
Applications for ADDITIONAL Stock: (Cont'd)

District No. 7.
First National Bank, Lake Forest, Ill. 90
The National Bank, Niles Center, Ill. 6
First National Bank, Gladbrook, Iowa. 3
Citizens National Bank, Stevens Point, Wisc. 6 105

District No. 8.
Planters National Bank, Hughes, Ark. 2
First National Bank, Duquoin, Ill. 60
Tell City National Bank, Tell City, Ind. 6
First National Bank, Louisville, Ky. 300
First National Bank, Memphis, Tenn. 30 398
Total 932

Applications for SURRENDER of Stock:

District No. 2.
Utica Trust & Deposit Company, Utica, N. Y. (Decrease in capital and surplus) 420 564

District No. 6.
First National Bank, Carrollton, Ga. (V.L.Abs. by Peoples Bank of Carrollton) 120 120

District No. 7.
First National Bank, Cambridge, Ill. (V.L.Abs. by Farmers National Bank of Cambridge) 90
North-Western Trust & Savings Bank, Chicago, Ill. (Decrease in capital) 150
First National Bank, Connersville, Ind. (Insolvent) 137
Continental National Bank, Indianapolis, Ind. (V.L.Abs. by Indiana National Bank of Indianapolis) 300 677

District No. 8.
Planters National Bank, Walnut Ridge, Ark. (Insolvent) 18
First National Bank, Holly Grove, Ark. (Insolvent) 18
First National Bank, Green Forest, Ark. (Insolvent) 23 59

District No. 9.
First National Bank, Manistique, Mich. (V.L.Abs. by First National Bank in Manistique) 72
First National Bank, Tyler, Minn. (Insolvent) 45
Welcome National Bank, Welcome, Minn. (V.L.Abs. by Welcome State Bank, Welcome, Minn.) 36
First National Bank, Walhalla, N. Dak. (Insolvent) 17 170
### District No. 11.

**Applications for SURRENDER of Stock: (Cont'd)**

<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers &amp; Merchants National Bank, Grandview, Tex. (V.L.Abs. by First National Bank of Grandview)</td>
<td>39</td>
</tr>
<tr>
<td>First National Bank, Ladonia, Tex. (Insolvent)</td>
<td>69</td>
</tr>
<tr>
<td>Pecan Gap National Bank, Pecan Gap, Tex. (Insolvent)</td>
<td>18</td>
</tr>
<tr>
<td>State National Bank, Santa Anna, Tex. (V.L.Abs. by First National Bank of Santa Anna)</td>
<td>39</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shares</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>39</td>
<td>1,813</td>
</tr>
</tbody>
</table>

### District No. 12.

**Motherlode National Bank, Sonora, Calif. (V.L.Abs. by Bank of America, Los Angeles, Calif.)**

<table>
<thead>
<tr>
<th>Shares</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>38</td>
<td>1,813</td>
</tr>
</tbody>
</table>

Report of Standing Committee dated February 4th, recommending action on application for fiduciary powers by the following bank:

**APPROVED:**

**DISTRICT NO. 12.**

**IDAHO:**

American National Bank of Idaho Falls. (3336)

Report of Standing Committee dated February 4th, recommending action on application for admission to membership by the following state institution, subject to the conditions stated in the report attached to the application:

**APPROVED:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Shares</th>
<th>F.R. Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Bank of Romney, Romney, W. Va.</td>
<td>111</td>
<td>Richmond</td>
</tr>
</tbody>
</table>

**E.W. McClelland**

Assistant Secretary.

**Governor.**