

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, February 20, 1931, at 11:30 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:

Letter dated February 19th from the Secretary of the Federal Reserve Bank of New York, 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.

Matter approved on initials yesterday, namely, telegram dated February 19th from the Chairman of the Federal Reserve Bank of San Francisco, advising that the board of directors at its meeting on that date made no change in the rediscount rate of the bank, but voted to establish a minimum buying rate on acceptances of  $1\frac{1}{2}\%$  and the following schedule of effective buying rates:

1 to 45 days	$1\frac{1}{2}\%$
46 to 120 days	$1\frac{5}{8}\%$
121 to 180 days	$2\%$
Repurchase	$1\frac{3}{4}\%$

Upon motion, the informal action taken yesterday was ratified.

Letter dated February 18th from the Federal Reserve Agent at Cleveland, with further reference to the examination of member banks in Ohio and West Virginia which were not examined either by State authorities or the

2/20/31

-2-

158

Federal Reserve Agent during the year 1930.

Noted.

Memorandum from the Assistant Secretary dated February 9th, submitting reports of surveys made by the several Federal Reserve Agents of banks in outlying sections of reserve cities in their respective districts, as well as in the Central reserve city of Chicago, which have been granted authority by the Board to carry reduced reserves against demand deposits; the memorandum pointing out that all of the Federal Reserve agents recommend that the present reserve requirements be continued, except the Federal Reserve Agent at Minneapolis, who makes no recommendation, and that there have been no changes in the character of the deposits of any of the banks concerned in the Ninth District which would seem to warrant a discontinuance of the privilege. In his memorandum, the Assistant Secretary pointed out several cases, regarding which the Board might desire to direct inquiry to the Federal Reserve agents.

Upon motion, authority previously granted to outlying banks in reserve cities to carry reserves of 7% against demand deposits, and to outlying banks in Chicago to carry reserves of 10% against demand deposits, was continued.

Mr. Pole then advised the Board of the information in the possession of his office, received from the Chief National Bank Examiner, regarding the management of the newly organized First Merchants National Bank and Trust Company of Middletown, N. Y., whose application for trust powers was discussed at the meeting yesterday.

After further discussion, it was voted to request the Assistant Federal Reserve Agent at New York to submit a detailed report to the Board regarding the proposed management of the new bank.

2/20/31

REPORTS OF STANDING COMMITTEES:

Dated, February 20th Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.

Recommendations approved.

Dated, February 19th Recommending approval of the application of Mr. Charles E. Hatfield, for permission to serve at the same time as a director and officer of the Newton Trust Company of Newton, Mass., as a director of the Harvard Trust Company of Cambridge, Mass.; and as a director of the Lechmere National Bank of Cambridge, Mass.

Approved.

Dated, February 19th Recommending approval of the application of Mr. Nathaniel Orens, for permission to serve at the same time as a director of the National Bank of Far Rockaway, New York; and as a director and officer of the Globe Bank and Trust Company of Brooklyn, New York.

Approved.

The meeting adjourned at 12:30 p. m.

E. U. McClelland

Assistant Secretary.

Approved:

C. C. Coughlin  
Governor.

AUXILIARY MINUTES  
(February 20, 1931)

Reports of Standing Committee dated February 20th, recommending changes in stock at Federal Reserve Banks, approved as follows:

<u>Applications for ADDITIONAL Stock:</u>	<u>Shares</u>	
<u>District No. 2.</u>		
First National Bank, Millburn, N. J.	90	90
<u>District No. 5.</u>		
Farmers & Merchants National Bank, Bel Air, Md.	4	
First National Bank, Lonaconing, Md.	3	
Second National Bank, Towson, Md.	15	
National Bank of Snow Hill, Snow Hill, N. C.	2	
Conway National Bank, Conway, S. C.	12	
Citizens National Bank, Elkins, W. Va.	1	
First National Bank, Bassett, Va.	3	
First National Bank, Big Stone Gap, Va.	1	
First National Bank, Broadway, Va.	3	
Peoples National Bank in Gate City, Gate City, Va.	2	
First National Bank, Gloucester, Va.	1	
National Bank of Gordonsville, Va.	3	
Merchants National Bank, Hampton, Va.	6	
Old Point National Bank, Phoebus, Va.	6	
First National Bank, Richlands, Va.	3	
Peoples Bank, Rural Retreat, Va.	<u>1</u>	66
<u>District No. 6.</u>		
First National Bank, Linden, Ala.	9	
First National Bank, Oneonta, Ala.	2	
Citizens Bank and Trust Co., Jefferson, Ga.	1	
First National Bank, Gulfport, Miss.	<u>1</u>	13
	Total	169
<u>Applications for SURRENDER of Stock:</u>		
<u>District No. 4.</u>		
Neffs National Bank, Neffs, Ohio. (V.L.Abs. by First National Bank of Bellaire, Ohio)	30	
Union Savings & Trust Company, Warren, Ohio. (Decrease in capital and surplus)	<u>180</u>	210
<u>District No. 7.</u>		
Lawrence Avenue National Bank, Chicago, Ill. (Insolvent)	132	
First National Bank, Waterloo, Iowa. (V.L.Abs. by Commercial National Bank)	<u>180</u>	312
<u>District No. 9.</u>		
First National Bank, Petersburg, N. Dak. (V.L.Abs. by Farmers State Bank)	24	
National Bank of Gary, Gary, S. Dak. (V.L.Abs. by First National Bank of Gary)	<u>30</u>	54

2/20/31

Applications for SURRENDER of Stock: (Cont'd)

Shares

District No. 10.

First National Bank, Peabody, Kans. (V.L.Abs. by Peabody State Bank)

60

60

District No. 11.

First National Bank, New Boston, Tex. (Cons. New Boston National Bank, with the above bank)

36

First National Bank, Plainview, Tex. (Insolvent)

120

156

District No. 12.

Hailey National Bank, Hailey, Idaho. (Decrease in surplus)

15

15

Total

807

*E. W. McClelland*

Assistant Secretary.

Approved:

*E. W. McClelland*  
Governor.