

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, April 21, 1931, at 11:15 a. m.

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

The Governor presented a letter dated April 15th, addressed to him by the Undersecretary of the Treasury, transmitting copy of a communication from the Secretary of War in which it is requested that arrangements be made to furnish the Bureau of Insular Affairs with confidential information regarding the standing and condition of certain banking institutions which are members of the Federal Reserve System, in connection with deposits of Philippine public funds; the Undersecretary stating that in view of the fact that these deposits are required to be secured, he is doubtful whether it would be appropriate for the Treasury to ask for the information upon specific request, but before replying to the letter he would appreciate an expression of views in regard to the matter.

After discussion, upon motion, the Assistant Secretary was instructed to prepare a letter to the Undersecretary of the Treasury to the effect that it would be contrary to the policy of the Board to express an opinion regarding the condition of an individual member bank and in the opinion of the Board the Bureau of Insular Affairs should look to the security required by law against deposits of Philippine funds for the protection of such deposits.

The Governor also presented a letter dated April 18th from Mr. Samuel H. Barker, President of the Bankers Trust Company of Philadelphia, which closed on December 22, 1930, with regard to a plan for the reopening of that institution in connection with which it is proposed to apply for membership in the Federal Reserve System. The Governor reported that Governor Norris

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of the Federal Reserve Bank of Philadelphia has been requested to address a letter to the reorganization committee indicating approval of the proposed plan but that in a telephone conversation with Governor Norris he had discouraged such action, feeling that nothing should be done which would prejudice consideration of the application for membership in the System, if and when it is filed. The other members of the Board expressed agreement with the Governor's position.

The Assistant Secretary then presented the following matters on which action was taken by the Board.

Memorandum dated April 17th from the Director of the Division of Research and Statistics, submitting a revision of a proposed letter to Mr. Carroll H. Woody, Principal Investigator of the President's Committee on Social Trends, relating to the activities of the Federal Reserve Board, which was referred to him at the meeting on April 7th.

After discussion, it was voted to refer the proposed letter to Mr. Hamlin for discussion with Dr. Goldenweiser and further revision.

Application of the First National Bank of Dickinson, North Dakota, for permission to exercise general fiduciary powers; together with a favorable recommendation thereon from the Executive Committee of the Federal Reserve Bank of Minneapolis. In this connection it was pointed out that the Minneapolis bank has submitted no information regarding the proposed supervision of trust activities by the Dickinson bank if its application is approved by the Board.

Upon motion, action on the application was deferred and the Assistant Secretary was instructed to request the Federal Reserve Agent at Minneapolis to furnish the Board with such information.

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The Assistant Secretary pointed out that it is not the practice of any of the Federal Reserve agents to include information regarding proposed management in the reports submitted with applications for trust powers and he was instructed to prepare and present to the Board a form of circular letter on the subject.

Memorandum dated April 20th, approved by the Assistant Secretary, recommending that Mrs. Phyllis E. Stewart, a stenographer in the Gold Settlement Division, be granted leave without pay for a period not to exceed twenty days, beginning October 1st.

Approved.

Report of Committee on Salaries and Expenditures on letter dated April 10th from the Deputy Governor of the Federal Reserve Bank of St. Louis, submitting for the approval of the Board, certain changes in the personnel classification plan of the Little Rock Branch.

Upon recommendation of the Committee, the changes were approved.

Letter dated April 17th from the Assistant Federal Reserve Agent at Chicago, advising of the action of the Depositors State Bank of Chicago, a member institution, in absorbing the Southwest State Bank of Chicago as of March 28, 1931; the Assistant Agent also advising that the Executive Committee of the Federal Reserve Bank recommends that the action of the Depositors State Bank be approved by the Board.

Approved.

Letter dated April 20th from the Federal Reserve Agent at Philadelphia with regard to certain bank stocks acquired by the Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia, Pennsylvania, since the consolidation of that institution with the Colonial Trust Company of

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Philadelphia, under date of March 29, 1930; the Agent recommending reconsideration by the Board of a ruling, made shortly after the consolidation, that the Pennsylvania Company, which at the time of admission to membership in the Federal Reserve System was not subjected to a condition of membership relating to the purchase of bank stocks, became subject at the time of consolidation to the conditions imposed upon the Colonial Trust Company, including one requiring the Board's consent prior to the purchase of stock in other banks.

After discussion, upon motion, the letter was referred to Counsel for report.

Memorandum dated April 20th from the Chief of the Division of Bank Operations, submitting statements of expenditures by the Federal Reserve banks for educational and welfare work, etc., during the month of March and for the three months period ending March 31st.

Ordered circulated.

At this point Mr. Pole joined the meeting.

The minutes of the meeting of the Executive Committee held on April 18th were approved and, upon motion, the actions recorded therein were ratified.

The minutes of the meeting of the Federal Reserve Board held on April 20th were then approved.

REPORTS OF STANDING COMMITTEES:

Dated, April 20th Recommending approval of the application of Mr. Charles W. Nash, for permission to serve at the same time as director of the Brown National Bank of Kenosha, Wisconsin; director of the First National Bank of Kenosha, Wisconsin, and as director of the Continental Illinois Bank and Trust Company of Chicago, Illinois.

Approved.

Dated, April 21st Recommending approval of the application of Mr. Charles F. Glore, for permission to serve at the same time as director of the First National Bank of Lake Forest, Illinois,

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REPORTS OF STANDING COMMITTEES (CONTINUED)

and as a director of the Continental Illinois Bank and Trust Company of Chicago, Illinois.

Approved.

The meeting adjourned at 12:10 p. m.

C. W. Wood

Assistant Secretary

Approved:

C. W. Wood
Governor