

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, May 18, 1931, at 2:30 p. m.

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

The minutes of the meeting of the Federal Reserve Board held on May 8th were approved.

The minutes of the meetings of the Executive Committee of the Federal Reserve Board held on May 8th, 9th, and 11th, were approved, and upon motion, the actions recorded therein were ratified.

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

Letter dated May 16th from the Comptroller of the Currency, recommending approval of the application of the Pine Bush National Bank, Pine Bush, New York, for permission to reduce its capital from \$50,000 to \$25,000 upon the following conditions:

1. That immediately following the reduction the capital stock of the applicant bank be increased to \$50,000, the increase to be paid for in cash in the ratio of two for one, thus realizing \$50,000.
2. That before the certificate of reduction in capital is issued by the office of the Comptroller of the Currency, the amount necessary to pay for the proposed increase in stock be on deposit in the bank in a special account.
3. That estimated losses of at least \$107,000 be charged off on the day the reduction and increase in capital are effected by the bank.

After discussion, upon motion, the application was approved subject to the conditions recommended by the Comptroller of the Currency, Mr. James voting "no".

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At this point Mr. Pole left the meeting.

Memorandum from Counsel, dated May 14th, with regard to the application of Mr. John W. Carpenter for permission to serve at the same time as a director of the First National Bank in Dallas and as a director of the Mercantile Bank and Trust Company of Texas, both of Dallas, Texas; Counsel suggesting that inasmuch as the Federal Reserve Agent at Dallas has not given the Board a definite recommendation as to whether or not the application should be approved, that he be requested to advise what action, in his opinion, should be taken by the Board.

After discussion, upon motion, it was voted to request the Federal Reserve Agent at Dallas to submit the matter to his Executive Committee, if he has not already done so, and furnish the Board with a definite recommendation.

Telegram dated May 16th, addressed to Mr. James by the Managing Director of the Little Rock Branch, advising of the death on that date of Mr. Hamp Williams, one of the Board's appointees to the directorate of the branch.

Noted with regret.

In this connection Mr. James stated that he, as Chairman of the Committee on District No. 8, is looking into the matter of the appointment of a successor to Mr. Williams and, upon motion, the matter of the appointment was referred to the St. Louis Committee for recommendation to the Board.

Memorandum from the Governor recommending the appointment of Miss Olga E. Weirsmith, as a stenographer in his office, at a salary of \$2,300 per annum, effective May 25, 1931.

Approved.

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The Assistant Secretary reported that Mr. A. M. Stone of his office has been temporarily assigned to Mr. Magee's office as private secretary, and requested authority to appoint Mr. Edward A. Sheafe, Jr., as stenographer in his office for a probationary period of three months, with salary at the rate of \$1,600 per annum.

Upon motion, the authority requested was granted.

Telegram dated May 18th from the Secretary of the Federal Reserve Bank of Minneapolis, advising that the Board of Directors at its meeting today, made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Letters dated May 13th from the Assistant Federal Reserve Agents at Kansas City and Dallas advising of the establishment of the following schedule of effective buying rates on bankers' acceptances; the Assistant Federal Reserve Agent at Dallas also advising of the establishment of a repurchase rate of $1\frac{1}{4}\%$:

1 to 15 days	1%
16 to 120 days	1 $\frac{1}{8}\%$
121 to 180 days	1 $\frac{1}{4}\%$

Without objection, noted with approval.

Report of Committee on Salaries and Expenditures on letter dated May 15th from the Chairman of the Federal Reserve Bank of Kansas City requesting approval of the salary payment involved in a leave of absence of two months with half-pay granted to Mr. John A. Williams, an employee of the bank; the Board's Committee recommending approval.

Approved.

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Report of Executive Committee on letter dated May 15th from the Federal Reserve Agent at Richmond requesting permission to participate in a simultaneous examination of the head office and branches of the Baltimore Trust Company, Baltimore, Maryland, which is to be conducted by the Maryland Department of Examination, without assessing the cost of the participation against the member bank.

Approved, upon recommendation of the Board's Committee.

It was also voted to place on the program for the next Federal Reserve Agents' Conference, the question of assessing against State member banks the cost of Federal Reserve bank participation in examinations of State member banks.

Draft of letter, prepared in accordance with the action taken at the meeting of the Board on May 15th, to Mr. C. S. Newhall, Executive Vice President of the Pennsylvania Company for Insurances on Lives and Granting Annuities, advising that in the light of the considerations underlying the bank's investment program which were developed at his conference with the Board on May 9th, the Federal Reserve Board is not disposed to make any objection to the completion of that program, it being understood that if at any time in the future the Pennsylvania Company should desire to make further purchases of bank stocks, the matter will be taken up with the Federal Reserve Board in advance.

Upon motion, the proposed letter was approved.

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REPORTS OF STANDING COMMITTEES:

- Dated, May 15th 18th Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.
- Dated, May 9th 18th Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.
- Dated, May 16th Recommending approval of the application of Mr. Burleigh B. Draper, for permission to serve at the same time as director and officer of the First Camden National Bank and Trust Company, Camden, N. J., as director and officer of the First National Bank of Haddon Heights of Haddon Heights, N. J., and as director of the Broadway-Merchants Trust Company of Camden, N. J.
Approved.
- Dated, May 16th Recommending approval of the application of Mr. F. Morse Archer, for permission to serve at the same time as director and officer of the First Camden National Bank and Trust Company of Camden, N. J., as director and officer of the First National Bank of Haddon Heights of Haddon Heights, N. J., and as director of the Broadway-Merchants Trust Company, Camden, N. J.
Approved.
- Dated, May 16th Recommending approval of the application of Mr. David Baird, Jr., for permission to serve at the same time as director of the First Camden National Bank and Trust Company of Camden, N. J., as director of the First National Bank of Haddon Heights of Haddon Heights, N. J., and as director and officer of the Broadway-Merchants Trust Company of Camden, N. J.
Approved.

The meeting adjourned at 3:30 p. m.

E. W. Woodcock
Assistant Secretary.

Approved:

Wm. Archer
Governor.

AUXILIARY MINUTES
(May 18, 1931)

Reports of Standing Committee dated May 15th and 18th, recommending changes in stock at Federal Reserve Banks, approved as follows:

<u>Applications for SURRENDER of Stock:</u>	<u>Shares:</u>	
<u>District No. 5.</u> First National Bank, Gastonia, N. C. (Decrease in surplus)	210	210
<u>District No. 6.</u> Peoples-First National Bank, Quitman, Ga. (Cons. of the Peoples National Bank and the First National Bank of Quitman)	105	
Canal Bank & Trust Company, New Orleans, La. (Reduction in capital)	<u>405</u>	510
<u>District No. 8.</u> First National Bank, Goreville, Ill. (Insolvent)	18	18
<u>District No. 10.</u> Central National Bank, Ellsworth, Kans. (Insolvent)	120	120
<u>District No. 12.</u> Puente National Bank, Puente, Calif. (Vol. Liq. Abs. by First National Bank)	<u>33</u>	<u>33</u>
	Total	891

Reports of Standing Committee dated May 9th and 18th, recommending action on applications for fiduciary powers by the following banks:

APPROVED:

DISTRICT NO. 7.

ILLINOIS:

The Edgar County National Bank, Paris. (3341)

DISTRICT NO. 9.

SOUTH DAKOTA:

The Security National Bank of Brookings. (3351)

E. W. W. Calland
Assistant Secretary.

Approved:

Eugene C. ...
Governor.