

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, July 13, 1931, at 11:40 a. m.

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

The Assistant Secretary presented the following matters of business which were considered and acted upon by the Committee:

Letter dated July 9th from the Secretary of the Federal Reserve Bank of New York, advising that the Board of Directors, at its meeting on that date, made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Telegrams dated July 10th from the Secretaries of the Federal Reserve Banks of Cleveland and Atlanta, advising that their Boards of Directors, at meetings on that date, made no change in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Reports of Committee on Salaries and Expenditures on lists submitted by the Federal Reserve Banks of Richmond and Kansas City, of employees for whom the directors approved leaves of absence with pay on account of illness during the month of June, where the total of such absences since January 1, 1931, has exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

Report of Executive Committee on letter dated July 7th from the

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Comptroller of the Currency recommending approval of a salary of \$3,600 per annum for National Bank Examiner Thomas C. Dunlap, assigned to the Third Federal Reserve District.

Approved upon recommendation  
of the Board's Committee.

Letter dated July 9th from Deputy Governor Fleming of the Federal Reserve Bank of Cleveland, requesting approval by the Board of the following contracts in connection with the Pittsburgh Branch Building; allowances aggregating \$26,000 covering these items having been previously approved by the Board with the understanding that final bids would be submitted to the Board before contracts are awarded:

Ornamental fixtures	\$3,996.00
Commercial lighting fixtures	5,500.00
(Amount set aside for these fixtures in case low bid of \$4,260 cannot qualify as to efficiency and surface brightness)	
Window shades	1,850.00
Painting and decorative painting	8,447.00
Mural in main banking room	6,000.00
Historical paintings in officers' space	2,500.00
Draperies, including rugs	1,775.40
Total	<u>\$30,068.40</u>

After some discussion, upon motion it was voted to approve the letting of contracts, with a contingent allowance for commercial lighting fixtures, as set out in Deputy Governor Fleming's letter, other than the items of \$6,000 for mural painting in the main banking room and \$2,500 for decorative historical paintings in the officers' space, which were disapproved for the reason that the Board does not consider the expenditures necessary or desirable.

The Governor then reported that while he was in New York the latter part of last week he discussed with various individuals the recent developments and outlook in the German situation.

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He presented a copy of a telegraphic report from Berlin with regard to the German situation, which he stated was furnished to him on Sunday by Doctor O. C. Kiep, German Consul General in New York; apparently being an unofficial communication, but designed to carry more or less official weight.

The Governor also reported that Governor Harrison advised him on Sunday morning that he was cabling the Reichsbank setting forth the record of recent telephone and cable communications and putting it up to the Reichsbank to take care of the situation more vigorously at home. The Governor reported that he attended a meeting at the New York Bank on Sunday afternoon, at which Mr. Owen D. Young, Under Secretary of the Treasury Mills, Mr. S. Parker Gilbert, and the Governor and Deputy Governor Logan of the Federal Reserve Bank of New York were present. He stated that the topic of discussion was whether or not it was advisable to make any public statement with regard to the German situation, and it was finally decided that no statement should be made.

The Governor further stated that he had talked over the telephone with the Governor of the New York Bank this morning and that Governor Harrison reported a telephone conversation with the President of the Bank for International Settlements, in which the latter stated that the representatives of the Reichsbank who are now attending a meeting in Basle, at which the Governors of the Bank of England and Bank of France are also present, have indicated that Germany will maintain its currency, that the Reichsbank is restricting credit and that the government has guaranteed the liabilities of the Darmstaedter Bank which failed to open this morning, as well as the foreign deposits of all banks.

The Governor also stated that he believes the present attitude of the French and English central banks is to regard the German situation as



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a governmental rather than a banking situation, feeling that until matters have developed further, more progress is made and conditions are clarified, it is no proper sphere of activity for the intervention of central banks.

The Governor then presented a letter dated July 9th from the Governor of the Federal Reserve Bank of New York, setting forth the reasons which prompted his Board of Directors to renew its request that the Federal Reserve Board reduce to three-quarters percent the minimum authorized rate established by it for the purchase of bankers' acceptances by the New York Bank.

After some discussion,  
action on the matter was  
again deferred.

#### REPORTS OF STANDING COMMITTEES:

Dated, July 9th Recommending changes in stock at Federal Reserve Banks,  
10th as set forth in the Auxiliary Minute Book of this date.  
11th Recommendations approved.  
13th

Dated, July 7th Submitting without recommendation an application for  
fiduciary powers as set forth in the Auxiliary Minute  
Book of this date.

Application approved.

Dated, July 10th Recommending approval of the application of Mr. Thomas  
J. Watson, for permission to serve at the same time as a  
director of the Irving Trust Company of New York, N. Y.,  
and as a director of the First National Bank of Millburn,  
N. J.

Approved.

Dated, July 10th Recommending approval of the application of Mr. A. Philo  
Howard, for permission to serve at the same time as a  
director of the Public National Bank of Houston, Texas,  
and as a director of the San Jacinto Trust Company, Houston,  
Texas.

Approved.

Dated, July 10th Recommending approval of the application of Mr. M. E.  
Singleton, for permission to serve at the same time as a  
director of the First National Bank in St. Louis, and as a  
director and officer of the Citizens National Bank of  
Waxahachie, Texas.

Approved.

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Dated, July 10th Recommending approval of the application of Mr. Norman B. Champ, for permission to serve at the same time as a director and officer of the Twelfth Street National Bank of St. Louis, and as a director of the Lafayette-South Side Bank & Trust Co. of St. Louis.

Approved.

The meeting adjourned at 12:50 p. m.

C. W. McClelland

Assistant Secretary.

Approved:

Eugene H. Meyer

Governor.

AUXILIARY MINUTES  
(July 13, 1931)

(Executive  
Committee)

Reports of Standing Committee dated July 9th, 10th, 11th and 13th, recommending changes in stock at Federal Reserve Banks, approved as follows:

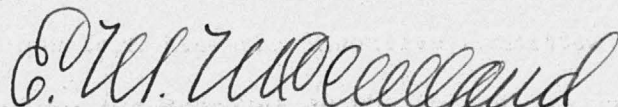
<u>Applications for ORIGINAL Stock:</u>	<u>Shares</u>	
<u>District No. 2.</u>		
First National Bank in Sidney, Sidney, N. Y.	90	90
<u>District No. 6.</u>		
The Lincoln National Bank of Brookhaven, Brookhaven, Miss.	66	66
<u>District No. 9.</u>		
Northwestern National Bank, Dawson, Minn.	18	18
	<u>Total</u>	<u>174</u>
<u>Applications for ADDITIONAL Stock:</u>		
<u>District No. 2.</u>		
Bank of Jamestown, Jamestown, N. Y.	399	399
<u>District No. 4.</u>		
Mellon National Bank, Pittsburgh, Pa.	600	600
<u>District No. 11.</u>		
First National Bank, Longview, Texas.	60	60
<u>District No. 12.</u>		
First National Bank, Beverly Hills, Calif.	60	60
	<u>Total</u>	<u>1,119</u>
<u>Applications for SURRENDER of Stock:</u>		
<u>District No. 2.</u>		
American National Bank, Jamestown, N. Y. (V.L.Abs. by Bank of Jamestown, N. Y.)	360	
Bank of United States, New York, N. Y. (Insolvent)	<u>21,150</u>	21,510
<u>District No. 6.</u>		
Commercial National Bank, Lafayette, La. (V.L.Suc. by Commercial Bank of Lafayette & Trust Co.)	72	72
<u>District No. 7.</u>		
First National Bank, Watseka, Ill. (Insolvent)	45	
First National Bank, Pomeroy, Iowa. (Insolvent)	<u>45</u>	90
<u>District No. 11.</u>		
Citizens National Bank, Odessa, Texas. (Insolvent)	37	
First National Bank, Corsicana, Texas. (Cons. with Corsicana National Bank)	300	337
	<u>Total</u>	<u>22,009</u>



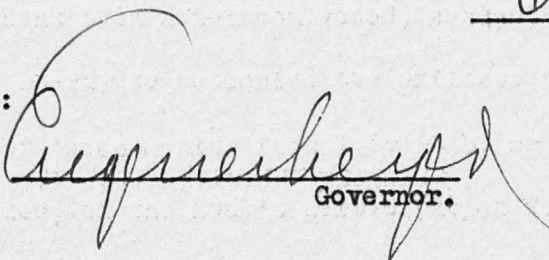
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Report of Standing Committee dated July 7th, submitting without recommendation an application for fiduciary powers by the following bank:

APPROVED:DISTRICT NO. 6.MISSISSIPPI:First National Bank in Gulfport. (3357)Assistant Secretary.

Approved:

  
Governor.