

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, September 8, 1931, at 11:30 a. m.

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

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

Memorandum from Counsel dated September 5th with regard to letter dated August 27th from the Federal Reserve Agent at San Francisco, advising, in response to the Board's letter of August 17th, that in his opinion the public interest has not been so affected by the consolidation of the Security Trust and Savings Bank of Los Angeles and the Los Angeles-First National Trust and Savings Bank as to make it advisable to revoke the permits previously granted by the Board to Messrs. T. E. Newlin and H. W. O'Melveny to serve the Farmers and Merchants National Bank and the Security Trust and Savings Bank of Los Angeles under which they are now serving the Farmers and Merchants National Bank and the Security-First National Bank of Los Angeles. In his memorandum Counsel suggested that the Federal Reserve Agent at San Francisco be advised that the Board will take no action on the matter at this time.

Upon motion, draft of letter submitted by Counsel in accordance with his suggestion was approved and ordered transmitted.

Letter dated September 3rd from the Secretary of the Federal Reserve Bank of New York and telegrams dated September 2nd from the Chairman of the Federal Reserve Bank of St. Louis and September 3rd from the Chairmen of the Federal Reserve Banks of Kansas City and San Francisco, all advising that at meetings of their boards of directors on the dates stated no changes were made

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in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Telegram dated September 2nd from the Chairman of the Federal Reserve Bank of Philadelphia, advising that because of a quorum not being available the regular meeting of the board of directors of the bank was not held on that day and no change was made in the bank's existing schedule of rates of discount and purchase.

Noted.

Letter dated September 4th from the Secretary of the Federal Reserve Bank of Cleveland, advising of the establishment by the directors of the bank on that date, subject to the approval of the Federal Reserve Board, of a minimum authorized buying rate of 1% on bankers' acceptances, and of the following schedule of effective buying rates on bankers' acceptances.

1 to 90 days	1	%
91 to 120 days	1	1/8%
121 to 180 days	1	1/4%
Repurchase	2	1/2%

Upon motion, it was voted to approve a minimum authorized buying rate of 1% for bankers' acceptances at the Cleveland bank and, there being no objection, the establishment of the above schedule of effective buying rates was noted with approval.

Telegram dated September 2nd from the Federal Reserve Bank of New York, advising that the advances which were made to the Bank of England on August 29th and 31st, totaling \$18,249,750, against gold earmarked for the account of the New York bank by the Bank of England, were repaid on September 2nd.

Noted.

Telegram dated September 2nd from the Governor of the Federal Reserve Bank of New York, advising that the total amount of the \$125,000,000 credit to

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the Bank of England has been used and on that date \$118,115,000 had been invested in bills. In this connection the Assistant Secretary stated that sterling bills have now been purchased to the total amount of the credit.

Noted.

Report of Committee on Salaries and Expenditures on lists submitted by the Federal Reserve Banks of Boston, Philadelphia, Chicago and St. Louis of employees for whom the directors approved leaves of absence with pay, on account of illness, during the month of August at Boston, Philadelphia and St. Louis, and during the period July 24th to August 27th at Chicago, 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.

Letter dated September 2nd from the Chairman of the Federal Reserve Bank of St. Louis, advising that to fill the vacancy at the Louisville Branch caused by the resignation on August 22nd of Mr. Earl R. Muir, the directors of the bank on September 2nd appointed Mr. Stanley B. Jenks, formerly Manager of the Transit Department, as Assistant Cashier at the Branch, but that no change was made in his present salary.

Noted.

Report of Committee on District No. 11 with regard to letter dated September 2nd from the Federal Reserve Agent at Dallas, advising that there has been no improvement in the reserve record of the First National Bank, Jayton, Texas, which has now been continuously deficient for the period December 1, 1930, to August 15, 1931, but renewing his previous recommendation that no action be taken looking to the forfeiture of the bank's membership.

Upon motion, draft of letter to the Federal Reserve Agent at Dallas, advising that, in accordance with his recommendation,

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no action will be taken by the Board, and draft of letter to the Comptroller of the Currency, transmitting, for his information, a copy of the Federal Reserve Agent's letter and of the Board's reply thereto, were approved and ordered transmitted.

Mr. James then submitted a letter received by him under date of August 31st from Mr. John G. Lonsdale, President of the Mercantile-Commerce Bank and Trust Company, transmitting a memorandum covering his appearance before the Board on August 12th. Mr. James requested that the letter and memorandum be made a part of the official record of the Board.

Upon motion, it was voted to circulate the letter and memorandum among the members for their information before placing them in the files.

The Executive Committee then went into executive session and, upon return of the Assistant Secretary to the meeting, the Governor stated for the record that it had been voted to appoint Mr. Floyd R. Harrison to the position of Assistant to the Governor, effective September 16, 1931, with salary at the rate of \$15,000 per annum.

REPORTS OF STANDING COMMITTEES:

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| Dated, September 2nd | Recommending changes in stock at Federal Reserve Banks, |
| 3rd | as set forth in the Auxiliary Minute Book of this date. |
| 4th | Recommendations approved. |
| 5th | |
| 8th | |
| Dated, September 3rd | Recommending action on application for fiduciary powers |
| | as set forth in the Auxiliary Minute Book of this date. |
| | Recommendation approved. |
| Dated, September 8th | Recommending approval of the application of Mr. John Kean, |
| | for permission to serve at the same time as a director and |
| | officer of the National State Bank of Elizabeth, New Jersey, |
| | and as a director and officer of the Linden National Bank |
| | of Linden, New Jersey. |
| | Approved. |

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The meeting adjourned at 12:30 p. m.

E. W. Willard

Assistant Secretary.

Approved:

Agnew

Governor.

Reports of Standing Committee dated September 2nd, 3rd, 4th, 5th and 8th, recommending changes in stock at Federal Reserve Banks, approved as follows:

<u>Application for ORIGINAL Stock:</u>	<u>Shares</u>	
<u>District No. 2.</u>		
First National Bank in Rockaway, New Jersey.	72	72
<u>Applications for ADDITIONAL Stock:</u>		
<u>District No. 2.</u>		
Rochelle Park Bank, Rochelle Park, N. J.	1	1
<u>District No. 7.</u>		
Story County Trust & Savings Bank, Ames, Iowa.	2	
Peoples State Bank, Imlay City, Mich.	3	
Pigeon State Bank, Pigeon, Mich.	3	8
	<u>Total</u>	<u>9</u>
<u>Applications for SURRENDER of Stock:</u>		
<u>District No. 2.</u>		
Lebanon National Bank, New York, N. Y. (V.L.Abs. by Manufacturers Trust Co.)	360	
National Bank of North Hudson at Union City, N. J. (Insolvent)	990	
Times Square Trust Co., New York, N. Y. (Insolvent)	<u>1,200</u>	2,550
<u>District No. 3.</u>		
First National Bank, Beaverdale, Pa. (Insolvent)	75	75
<u>District No. 4.</u>		
Farmers National Bank, Haviland, Ohio. (V.L.Abs. by Farmers & Citizens Bank Company, Payne, Ohio.)	20	
Second National Bank, Pittsburgh, Pa. (V.L.Abs. by First National Bank at Pittsburgh)	<u>900</u>	920
<u>District No. 5.</u>		
First National Bank, New Windsor, Md. (Decrease in surplus)	24	24
<u>District No. 6.</u>		
First National Bank, Greensboro, Ala. (Insolvent)	90	90
<u>District No. 7.</u>		
First National Bank, Le Mars, Iowa. (Reduction in surplus)	15	
First National Bank, Dillsboro, Ind. (V.L.Abs. by Dillsboro State Bank)	21	
Monroe National Bank, Monroe, Iowa. (V.L.Suc. by Monroe State Bank)	49	
Oconto National Bank, Oconto, Wis. (Insolvent)	<u>44</u>	129

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<u>Applications for SURRENDER of Stock: (Cont'd.)</u>	<u>Shares</u>	
<u>District No. 8.</u>		
Bank of Henning, Henning, Tenn. (Insolvent)	60	60
<u>District No. 9.</u>		
Steele County National Bank, Finley, N. Dak. (Insolvent)	20	20
<u>District No. 10.</u>		
National Bank of Marlow, Okla. (V.L.Abs. by First National Bank in Marlow)	18	18
<u>District No. 12.</u>		
Central National Bank, Portland, Oreg. (V.L.Abs. by Citizens National Bank)	132	132
	Total	4,018

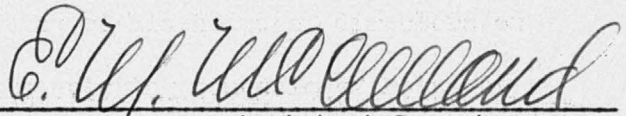
Report of Standing Committee dated September 3rd, recommending action on application for fiduciary powers by the following bank:

APPROVED:

DISTRICT NO. 3.

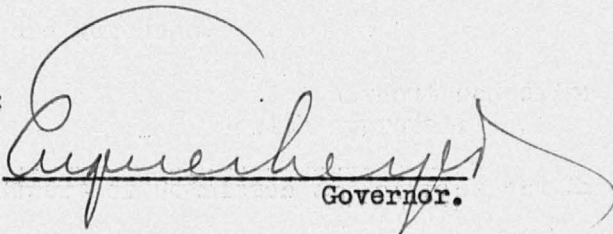
PENNSYLVANIA:

The Harleysville National Bank, Harleysville. (3368)



 Assistant Secretary.

Approved:



 Governor.