

A meeting of the Federal Reserve Board was held in the office of the Governor on Tuesday, September 15, 1931, at 10:00 a. m.

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

The minutes of the meetings of the Executive Committee of the Federal Reserve Board held on August 26th and 27th, September 2nd and 8th were approved and, upon motion, the actions recorded therein were ratified.

Mr. Pole then left the room and the meeting continued as a meeting of the Executive Committee.

The Assistant Secretary reported that on September 10th, under authority granted by the Board at the meeting on September 9th, Mr. James, as Executive Officer of the Board, approved action taken by the board of directors of the Federal Reserve Bank of New York in authorizing the officers of the bank to arrange for the renewal, for a period not exceeding three months, of the bank's share in the two central bank credits to the Hungarian National Bank which expire September 18, 1931, subject to the repayment before that date of 1,000,000 pounds pro rata among all participants in these credits, it being understood that the renewal will be upon substantially the same terms and conditions as the original credits.

Noted.

The Assistant Secretary then submitted various reports and communications which were considered and acted upon by the Executive Committee as follows:

Telegrams dated September 14th from the Federal Reserve Bank of New York advising of the repayment on that date of an advance of \$10,949,850 made on September 12th to the Bank of England against gold sovereigns amounting to £2,250,000 earmarked for account of the New York Bank.

Noted.

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Letter dated September 10th from the Secretary of the Federal Reserve Bank of New York and telegrams dated September 9th from the Chairman of the Federal Reserve Bank of Boston, September 11th from the Secretary of the Federal Reserve Bank of Cleveland, September 10th from the Chairman of the Federal Reserve Bank of Richmond, September 11th from the Secretary of the Federal Reserve Bank of Atlanta, and September 14th from the Secretary of the Federal Reserve Bank of Minneapolis, all advising that their boards of directors at meetings on the dates stated made no changes 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 New York, Richmond, Atlanta and Kansas City of employees for whom the directors of those banks authorized leaves of absence with pay, on account of illness, during the month of August, 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.

Letters dated September 11th and 12th from the Chairman of the Federal Reserve Bank of Richmond, advising of the resignation of Mr. Junius P. Fishburn, a Class B director of the bank, for the term expiring December 31, 1933; the Chairman stating that a special election will immediately be held to fill the vacancy.

Noted.

Report of Committee on Salaries and Expenditures recommending approval of certain changes in the personnel classification plan of the Federal Reserve Bank of Kansas City, as submitted in a letter received from the Deputy Governor

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and Cashier of the bank under date of September 5, 1931.

Approved.

Memorandum from Counsel dated September 8th, submitting draft of a proposed reply to letter dated September 4th from Honorable Louis T. McFadden, Chairman of the Committee on Banking and Currency of the House of Representatives, inquiring as to the names of the foreign banking corporations, organized under state laws and operating under agreement with the Federal Reserve Board, to which the Board has given permission to maintain reserves in the form of call loans to discount corporations or bill brokers secured by acceptances which are eligible for rediscount or purchase at a Federal Reserve bank, as well as in the form of bank balances; the reply stating that such permission was first granted to the International Acceptance Bank, Inc., early in 1924, later in the same year to the French-American Banking Corporation, and in 1928 to the Equitable Eastern Banking Corporation.

Upon motion, the proposed reply was approved and ordered transmitted.

Memorandum from the Assistant Secretary dated September 14th, approved by the Law Committee, suggesting reconsideration of the action of the Board on August 18, 1931, in granting permission to the Hatboro National Bank, Hatboro, Penna., to exercise general fiduciary powers only in specific trusts held by the Hatboro Trust Company of Hatboro, Penna., which may hereafter be acquired by the Hatboro National Bank; the Assistant Secretary pointing out that the limited powers were granted on the understanding that they would meet the needs of the national bank at this time, that a letter has been received from the President of the bank expressing disappointment that the institution was not authorized to exercise unlimited trust powers, and that the condition of the bank would seem to warrant reconsideration of the Board's action.

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After discussion, upon motion, it was voted to reconsider the Board's action of August 18th and to grant permission to the Hatboro National Bank to exercise unlimited trust powers.

REPORTS OF STANDING COMMITTEES:

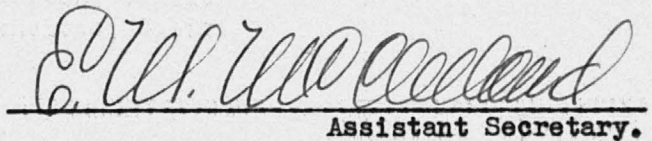
Dated, September 9th Recommending changes in stock at Federal Reserve Banks,
10th as set forth in the Auxiliary Minute Book of this date.
11th Recommendations approved.
14th

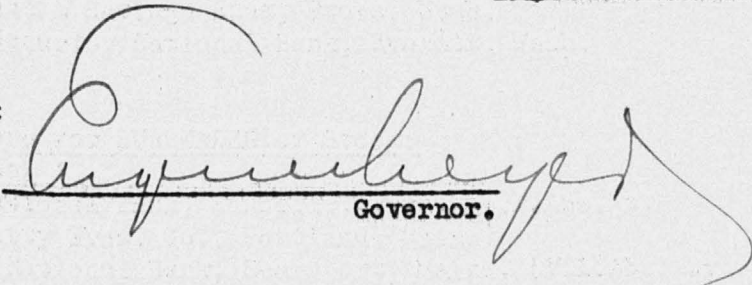
Dated, September 14th Recommending action on application for admission of a
state bank, subject to the conditions stated in the
report attached to the application, as set forth in
the Auxiliary Minute Book of this date.
Recommendation approved.

Dated, September 15th Recommending approval of the application of Mr. I. W.
Hellman, for permission to serve at the same time as
director and officer of the Wells Fargo Bank and Union
Trust Company of San Francisco, Calif., and as director
of The Farmers and Merchants National Bank of Los
Angeles, Calif.
Approved.

Dated, September 15th Recommending approval of the application of Mr. Otto S.
Martin, for permission to serve at the same time as
director of the First National Bank of Belleville, N. J.,
and as director of the Montclair National Bank of Mont-
clair, N. J.
Approved.

The meeting adjourned at 10:30 a. m.


Assistant Secretary.

Approved: 
Governor.

(Executive
Committee)AUXILIARY MINUTES
(September 15, 1931.)

Reports of Standing Committee dated September 9th, 10th, 11th and 14th, recommending changes in stock at Federal Reserve Banks, approved as follows:

<u>Application for ORIGINAL Stock:</u>	<u>Shares</u>	
<u>District No. 6.</u>		
Calcasieu National Bank in Lake Charles, La.	675	675
 <u>Applications for ADDITIONAL Stock:</u>		
<u>District No. 7.</u>		
Iowa State Savings Bank, Fairfield, Iowa.	2	
Security Trust and Savings Bank, Shenandoah, Iowa.	2	
Security Trust and Savings Bank, Storm Lake, Iowa.	3	
Lapeer Savings Bank, Lapeer, Mich.	<u>3</u>	10
 <u>District No. 10.</u>		
First National Bank, La Veta, Colo.	1	
Montrose National Bank, Montrose, Colo.	1	
Cedar Vale National Bank, Cedar Vale, Kans.	2	
First National Bank in Dodge City, Kans.	1	
First National Bank, Osawatomie, Kans.	1	
First National Bank, Summerfield, Kans.	1	
First Trust Company, King City, Mo.	1	
First National Bank, Scribner, Nebr.	3	
First National Bank, Farmington, New Mex.	2	
Central National Bank, Alva, Okla.	3	
First National Bank in Marlow, Okla.	1	
First Bank of Okarche, Okla.	<u>1</u>	18
 <u>District No. 11.</u>		
Perry National Bank, Hamilton, Texas.	3	3
 <u>District No. 12.</u>		
Oilfields National Bank, Brea, Calif.	1	
First National Trust & Savings Bank, Fullerton, Calif.	1	
Bank of Montreal (San Francisco), San Francisco, Calif.	2	
First National Bank, Toledo, Oregon.	6	
Farmers and Merchants Bank, Provo, Utah.	3	
Knight Trust & Savings Bank, Provo, Utah.	1	
Citizens Security National Bank, Everett, Wash.	<u>1</u>	15
	<u>Total</u>	<u>46</u>
 <u>Applications for SURRENDER of Stock:</u>		
<u>District No. 1.</u>		
Sanford National Bank, Sanford, Maine. (V.L.Abs. by Fidelity Trust Co., Portland, Maine)	120	
Searsport National Bank, Searsport, Maine. (V.L.Abs. by Merrill Trust Co., Bangor, Maine)	45	
First National Bank, Reading, Mass. (V.L.Suc. by First National Bank in Reading, Mass.)	<u>90</u>	255

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<u>Applications for SURRENDER of Stock: (Cont'd)</u>	<u>Shares</u>	
<u>District No. 2.</u>		
First National Bank, Mechanicville, N. Y. (Insolvent)	60	
American National Bank, Passaic, N. J. (V.L.Abs. by Peoples Bank & Trust Co.)	<u>150</u>	210
<u>District No. 4.</u>		
First National Bank, Middlebourne, W. Va. (V.L.Suc. by United Bank of Middlebourne, W. Va.)	42	
Steubenville Bank and Trust Co., Steubenville, Ohio. (V.L. Abs. by National Exchange Bank)	<u>581</u>	623
<u>District No. 6.</u>		
Capital National Bank, Jackson, Miss. (Decrease in capital)	15	
Unaka and City National Bank, Johnson City, Tenn. (Decrease in capital)	<u>72</u>	87
<u>District No. 7.</u>		
Lapham State Savings Bank, Northville, Mich. (Insolvent)	63	
North-Western Trust & Savings Bank, Chicago, Ill. (Insolvent)	960	
First National Bank, Downers Grove, Ill. (Insolvent)	75	
Inland-Irving National Bank, Chicago, Ill. (Insolvent)	<u>387</u>	1,485
<u>District No. 9.</u>		
First National Bank, Phillips, Wis. (V.L.Suc. by First National Bank in Phillips, Wis.)	19	
First National Bank in Mt. Vernon, S. Dak. (Insolvent)	<u>18</u>	37
<u>District No. 10.</u>		
Farmers National Bank, Topeka, Kans. (V.L.Abs. by National Bank of Topeka)	114	114
<u>District No. 11.</u>		
Farmers National Bank, Cross Plains, Tex. (Insolvent)	24	24
<u>District No. 12.</u>		
Security State Bank, Odessa, Wash. (V.L.Abs. by Old National Bank & Trust Co., Spokane, Wash.)	<u>36</u>	<u>36</u>
	<u>Total</u>	<u>2,871</u>

Report of Standing Committee dated September 14th, recommending action on an application for admission to membership by the following state institution, subject to the conditions stated in the report attached to the application:

<u>APPROVED:</u>	<u>Name</u>	<u>Shares</u>	<u>F.R.Bank</u>
	Guardian Bank of Royal Oak, Michigan.	90	Chicago

E. W. Will
Assistant Secretary.

Approved: *[Signature]*
Governor.