

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, October 13, 1931, at 11:30 a. m.

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

ALSO PRESENT: Mr. Harrison, Assistant to the Governor.

The following matters were presented and acted upon by the Board:

Letter dated October 10 from the Secretary of the Federal Reserve Bank of Kansas City, advising of the establishment on October 9 of the schedule of buying rates on bankers' acceptances established by the Federal Reserve Bank of New York on that date.

Without objection, noted with approval.

Memorandum dated October 12 from the Director of the Division of Research and Statistics recommending that the leave of absence without pay granted to Mr. W. W. Riefler, an employee of the Division, be extended from October 1 to December 31, 1931, in order that he may be able to complete his work as Secretary of the System Committee on Member Bank Reserves.

Recommendation approved.

Telegram dated October 13 from the Manager of the Foreign Department of the Federal Reserve Bank of New York, advising that the advance of \$4,767,860 made to the Sveriges Riksbank against gold in transit to New York was liquidated on October 9.

Noted.

Report of Committee on Salaries and Expenditures on letter dated October 8 from the Chairman of the Federal Reserve Bank of Dallas requesting

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approval of the appointment, at a salary of \$2,400 per annum, of Mr. Gaillard T. Webber to the position (appraised) of special representative in the loan department of the bank; the Board's Committee recommending approval.

Approved.

Draft of letter to the First Farmers and Merchants National Bank of Troy, Alabama, advising that in view of the criticisms of the trust department of the Farmers and Merchants National Bank of Troy, which consolidated with the First National Bank of Troy to form the First Farmers and Merchants National Bank, the Board feels compelled to withhold action on the latter's application for permission to exercise trust powers, which was considered at the meeting of the Board on September 29; the letter also stating that, if and when the bank demonstrates that its trust department is being properly handled and that conditions such as those cited by the examiner will not again be permitted to develop, the matter will be given further consideration by the Board, that it is the view of the Board that in the meantime no new trust business should be accepted by the bank, and that steps should promptly be taken to bring about a satisfactory adjustment, so far as it is possible to do so, of the matters criticized by the examiner.

Upon recommendation of the Executive Committee, the proposed letter was approved and ordered transmitted.

Report of Committees on Salaries and Expenditures and District No. 1 on letter dated October 7 from the Chairman of the Federal Reserve Bank of Boston, advising that the Board of Directors had voted, subject to the approval of the Federal Reserve Board, to authorize the Governor of the bank, upon request therefor, to reimburse any member bank represented at the forthcoming stockholders meeting for the amount expended by not more

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than one representative of such bank for railroad fare and Pullman accommodation in attending the meeting.

Upon recommendation of the Board's Committees, it was voted to approve the expenditure involved in the action of the Boston directors.

The Governor then presented a letter dated October 8 from the President of the United States Chamber of Commerce enclosing a copy of a report submitted by the Foreign Commerce Department Committee of the Chamber on the subject of cooperation of the Federal Reserve Board and Federal Reserve Banks with the Central Banks of Latin America.

Ordered circulated.

The Governor then reported briefly on his visit yesterday at the Federal Reserve Bank of Philadelphia.

The Board then went into executive session, at the conclusion of which the Governor reported that the Board had voted to authorize the Executive Committee, in its discretion, to grant permission, for periods not exceeding six months, to any Federal Reserve Bank to rediscount for any particular member bank good and otherwise eligible paper acquired from or bearing the signatures or endorsements of nonmember banks, and also to authorize the Executive Committee, in its discretion in particular cases, to waive the formalities in connection with applications for such permission prescribed in Section IX (b) of Regulation A.

REPORT OF STANDING COMMITTEE:

Dated, October 8 Recommending approval of the application of Mr. Madison L. Toms, for permission to serve at the same time as director of the First National Bank in Rockaway, N. J., and as director and officer of the National Iron Bank of Morristown, N. J.

Approved.

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The meeting adjourned at 12:45 p. m.

Orester Mouil

Secretary.

Approved:

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Governor.