

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, November 9, 1931, at 11:25 a. m.

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

ALSO PRESENT: Mr. Harrison, Assistant to the Governor.  
Mr. Wyatt, General Counsel.

The following matters of business were considered and acted upon by the Committee:

Letter dated November 5 from the Secretary of the Federal Reserve Bank of New York, and telegrams dated November 4 from the Chairman of the Federal Reserve Bank of Boston, November 5 from the Chairman of the Federal Reserve Bank of San Francisco, November 6 from the Secretaries of the Federal Reserve Banks of Cleveland and Kansas City, and November 7 from the Chairman of the Federal Reserve Bank of Dallas, all advising that at meetings of their Boards of Directors on the dates stated, no changes were made 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 Philadelphia, Minneapolis and Dallas, of employees for whom the directors authorized leaves of absence with pay on account of illness, during the month of October, 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 Committee on Salaries and Expenditures with regard to a

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letter dated October 29 from the Chairman of the Federal Reserve Bank of Dallas requesting approval of the appointment of Mr. R. S. Chambers to the appraised position of Special Representative in the Loan Department of the bank, at a salary of \$2,100 per annum; the Board's Committee recommending approval.

Approved.

Memorandum from Counsel dated November 6 with regard to an application filed by the receiver of the National Bank of Fayette County, Uniontown, Penna., for surrender of 600 shares of Federal Reserve bank stock held by the national bank; the receiver having failed to attach to the application a certified copy of his commission as provided in the application form. In his memorandum Counsel stated that inasmuch as the Board is formally advised by the Comptroller of the Currency of the appointment of receivers of national banks, he is of the opinion that it is not necessary for the receiver's application to be accompanied by a copy of his commission, and that the Board may properly approve the application filed by the receiver of the National Bank of Fayette County.

Upon motion, the application, having been informally approved by the Executive Committee of the Board on November 7, was formally approved.

Telegraphic reply, informally approved by the Executive Committee of the Board on November 7, to letter dated October 27 from the Chairman of the Federal Reserve Bank of Chicago transmitting the application of the Citizens National Bank, Hampton, Iowa, for permission to rediscount paper acquired from nonmember banks; the Board's reply stating that the Federal Reserve Bank of Chicago is authorized, in its discretion, for a period not exceeding six months from November 7, to rediscount for the applicant bank good and otherwise eligible paper acquired from and bearing the signature or endorse-

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ment of nonmember banks, the Board's permission being granted with the understanding that before such permission is availed of the Federal Reserve Bank of Chicago will assure itself that proper measures to correct the unsatisfactory condition of the bank have been instituted and will be carried out.

Upon motion, the informal action of the Executive Committee was ratified.

At this point Mr. Pole entered the room and a meeting of the Board thereupon convened for consideration of the following matter:

Telegram dated November 9 from the Governor of the Federal Reserve Bank of New York, advising that the Board of Directors of the bank has authorized the officers to send to the conference of South American central banks, which will be held in Lima, Peru, on December 2, Messrs. Allan Sproul, Assistant Deputy Governor, and Eric Lamb, of the Foreign Department, and to engage Professor E. W. Kemmerer to go as one of the bank's representatives, who are to take part in the discussions but in no way to commit the bank to any action, policy or program; the directors having also voted, subject to the approval of the Federal Reserve Board, to pay Professor Kemmerer a fee of \$5,000, plus expenses, for the trip which it is estimated will consume in all about a month or six weeks. In this connection the Governor also advised the Board of a cablegram, addressed by Governor Harrison to the five South American central banks which will attend the conference, acquainting them with the limitations which will be imposed upon the representatives of the New York bank at the conference.

Upon motion, the payment to Mr. Kemmerer authorized by the directors of the New York bank was approved, Mr. Miller not voting.

Mr. Pole then left the meeting, which reconvened as a meeting of the Executive Committee.



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Consideration was given to draft of a reply to letter dated October 28 from Congressman Louis T. McFadden to Assistant Secretary McClelland requesting "a list of the syndicate acceptance credits amounting to over one million dollars apiece which have been reported to the Board since February, 1918, the name in each case of the accepting bank or banks, and the purpose for which the syndicate acceptance credit was arranged"; the proposed reply stating that it is not clear from Mr. McFadden's letter what transactions he has in mind and that if he will give a more definite description, further inquiry concerning the matter will be made with the view of ascertaining whether it will be possible to furnish the information desired.

Upon motion, the proposed letter was approved.

Reports of Standing Committee dated November 4, 5, 6, and 9, recommending approval of the following changes in stock at Federal Reserve banks:

<u>Applications for ORIGINAL Stock:</u>		<u>Shares</u>	
<u>District No. 7.</u>			
State National Bank, Peru, Illinois.	105		
First National Bank in Tremont, Illinois.	<u>23</u>		128
<u>Application for ADDITIONAL Stock:</u>			
<u>District No. 3.</u>			
First National Bank, Mocanaqua, Pa.	18		18
<u>Applications for SURRENDER of Stock:</u>			
<u>District No. 1.</u>			
Ticonic National Bank, Waterville, Maine. (V.L.Abs. by Peoples National Bank of Waterville)	180		180
<u>District No. 2.</u>			
First National Bank, Unionville, N. Y. (Insolvent)	36		
Linden National Bank & Trust Co., Linden, N. J. (V.L.Suc. by Linden National Bank)	<u>270</u>		306
<u>District No. 5.</u>			
Gary National Bank, Gary, W. Va. (Insolvent)	60		
National Exchange Bank, Weston, W. Va. (Insolvent)	<u>120</u>		180

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<u>Applications for SURRENDER of Stock: (Cont'd)</u>		<u>Shares</u>	
<u>District No. 6.</u>			
Peoples National Bank, McMinnville, Tenn. (V.L.Abs. by City Bank & Trust Company)		60	60
<u>District No. 7.</u>			
Farmers National Bank, Sunman, Ind. (V.L.Suc. by Farmers Bank of Sunman)		24	
American National Bank, Grand Rapids, Mich. (V.L.Abs. by American Home Security Bank)		450	
First and Tri State National Bank and Trust Company, Fort Wayne, Ind. (V.L.Abs. by Old-First National Bank and Trust Company)		2,025	
Ottumwa National Bank, Ottumwa, Iowa. (V.L.Suc. by Union Bank and Trust Company)		150	
Citizens National Bank, Peru, Ind. (V.L.Abs. by Wabash Valley Trust Company)		90	
First National Bank, Ottumwa, Iowa. (V.L.Suc. by First Bank and Trust Company)		<u>144</u>	2,883
<u>District No. 8.</u>			
First National Bank, Paducah, Ky. (V.L.Abs. by City National Bank of Paducah)		180	180
<u>District No. 9.</u>			
First National Bank, Gackle, N. Dak. (V.L.Suc. by First State Bank of Gackle)		21	21
<u>District No. 10.</u>			
Limon National Bank, Limon, Colo. (Insolvent)		36	
First National Bank, Deer Trail, Colo. (Insolvent)		17	
First National Bank, Yuma, Colo. (Insolvent)		<u>36</u>	89
<u>District No. 11.</u>			
First National Bank, Sweetwater, Tex. (Decrease in surplus)		12	12
		<u>Total</u>	<u>3,911</u>

Approved.

Reports of the Law Committee dated November 7, recommending approval of the following Clayton Act applications:

Mr. C. A. Vose, for permission to serve at the same time as director and officer of the First National Bank and Trust Co. of Oklahoma City, Okla., as director of the Citizens National Bank of El Reno, Okla., and as director and officer of the American National Bank of Fort Towson, Okla.

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Mr. M. A. Arnold, for permission to serve at the same time as director and officer of the First Greenwood National Bank of Seattle, Wash., and as director and officer of the First Seattle Dexter Horton National Bank of Seattle, Wash.

Mr. F. H. Brownell, Jr., for permission to serve at the same time as director and officer of the First Greenwood National Bank of Seattle, Wash., and as director and officer of the First Seattle Dexter Horton National Bank of Seattle, Wash.

Approved.

The meeting adjourned at 12:30 p.m.

Chester Merrill  
Secretary.

Approved:

Eugene Herbert  
Governor.