

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, November 16, 1931, at 11:35 a. m.

PRESENT: Governor Meyer  
Mr. Miller  
Mr. James  
Mr. Magee

Mr. Morrill, Secretary  
Mr. McClelland, Assistant Secretary  
Mr. Harrison, Assistant to the Governor.

The following matters were presented for the consideration and action of the Committee:

Report of Committee on Salaries and Expenditures on a list submitted by the Federal Reserve Bank of San Francisco 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.

Reports of Committee on Salaries and Expenditures on letters dated November 3 and 9 from the Chairman of the Federal Reserve Bank of Dallas, requesting approval by the Board (1) of changes in the bank's personnel classification plan to provide for the transfer of three positions from the loan department to the insolvent banks department, and (2) of the appointment of Mr. Andrew Edward Waters to the appraised position of special representative in the insolvent banks department at a salary of \$2,100 per annum; the Board's Committee recommending approval.

Approved.

Report of Committee on Salaries and Expenditures regarding a letter dated November 3 from the Governor of the Federal Reserve Bank of San

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Francisco requesting, because of the rearrangement of certain work at the bank and a consequent reassignment of duties, that the Board approve changes in the bank's personnel classification plan involving the creation of eleven new positions, the discontinuance of ten others, changes in the salary ranges of two positions, and changes in title, duties, etc., of twenty-two positions; the Board's Committee recommending approval.

Approved.

Report of Committee on District No. 8, recommending appointment by the Board of Mr. W. W. Crawford, attorney, Louisville, Kentucky, as a director of the Louisville branch to succeed Mr. E. L. Swearingen, deceased.

Upon motion, it was voted to appoint Mr. Crawford as a director of the Louisville branch for the unexpired portion of the term ending December 31, 1931.

Telegram dated November 13 from the Secretary of the Federal Reserve Bank of Atlanta advising of the establishment by the directors of the bank of a rediscount rate of 3 1/2% on all classes of paper of all maturities and a rate of 3 1/2% for the purchase of Government securities under agreement to resell, effective the first business day following that on which approved by the Federal Reserve Board; the Executive Committee of the Board on November 13 having approved informally the rates established by the directors of the Federal Reserve Bank of Atlanta, effective November 14.

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

Renewal bond in the amount of \$50,000 executed under date of November 12, 1931 by Mr. Robert L. Shepherd as Acting Assistant Federal Reserve Agent at the Federal Reserve Bank of Richmond.

Approved.



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Draft of reply, approved by the Executive Committee, to letter dated November 7 from the Assistant Federal Reserve Agent at Chicago advising that the Farmers State Bank of Eureka, Illinois, holds no note or other obligation, the payment of which is in any way dependent upon the liquidation of assets of the First National Bank of Eureka; the proposed reply stating that since the state member bank received payment in cash for the deposit liabilities of the national bank which it assumed on September 24, 1931, thereby involving no change in the character of its assets within the meaning of the general condition under which it was admitted to membership in the Federal Reserve System, the Federal Reserve Board has voted to interpose no objection to the action of the member bank.

Upon motion, the proposed letter was approved.

Application filed by the Hibernia Trust Company, New York City, N.Y., for membership in the Federal Reserve System and for 3,000 shares of stock in the Federal Reserve Bank of New York, approval of which is recommended by the directors of the Federal Reserve Bank of New York, subject to the regular conditions of membership contained in Regulation H; together with a draft of a letter to the applicant bank, approved by the Executive Committee, advising that the Board approves the application subject to the regular conditions contained in Regulation H and to the following special conditions:

"That prior to membership you shall charge off all losses, including the item of prepaid expenses, and all depreciation, with the exception of that on bonds grading B one plus or higher.

"That in connection with the proposed acquisition of the Liberty National Bank and Trust Company, no assets classified by the examiner as slow, doubtful or loss shall be taken over, and that a schedule of the assets to be acquired shall be submitted for the inspection of the Federal Reserve Board before the transaction becomes effective.

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"You shall not make any loans or advances to the Hibernia Investment Company, Incorporated, nor make any loans or advances upon the security of the stock of such company."

After discussion, upon motion, it was voted to approve the application of the Hibernia Trust Company, subject to the conditions set forth in the proposed letter, for such amount of Federal Reserve bank stock as the applicant bank may be entitled to receive on the basis of its capital and surplus on the date on which arrangements for membership are completed.

Letter dated November 12 from Deputy Governor Worthington of the Federal Reserve Bank of Kansas City stating that while the bank's reserve ratio is at present around 45% and may not go above 50% between now and December 15, it is the opinion of the Executive Committee of the bank that it should continue to rediscount paper offered by the Federal Intermediate Credit Banks since such action would be a direct benefit to the district, and requesting that the Board authorize the bank to rediscount paper in the amount of approximately \$1,300,000 which will probably be offered by the Federal Intermediate Credit Bank of Wichita on December 15 and in the approximate amount of \$400,000 which it is expected will be offered on January 15.

Upon motion, it was voted to advise Deputy Governor Worthington that the Board approves the attitude expressed in his letter and authorizes the Federal Reserve Bank of Kansas City, in its discretion, to rediscount for the Federal Intermediate Credit Bank of Wichita eligible paper in the amounts and on the dates indicated.

The Secretary then reported that in accordance with the authority granted at the meeting on November 10, Miss Yvonne Dodd had been employed as his secretary at a salary of \$2,100 per annum, effective November 16, 1931.

Noted.



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Reports of Standing Committee dated November 14 and 16, recommending approval of the following changes in stock at Federal Reserve banks:

<u>Applications for SURRENDER of Stock:</u>	<u>Shares</u>	
<u>District No. 5.</u>		
National Bank of Snow Hill, Snow Hill, N. C. (Decrease in surplus)	8	
Bishopville National Bank, Bishopville, S. C. (Decrease in surplus)	63	
Planters & Merchants First National Bank, South Boston, Va. (Insolvent)	135	
First National Bank, Clendenin, W. Va. (V.L.Abs. by Farmers & Citizens State Bank)	24	
First National Bank, Fairview, W. Va. (Insolvent)	30	260
<u>District No. 7.</u>		
First National Bank, Blockton, Iowa. (Insolvent)	18	
First National Bank, Lake City, Iowa. (Insolvent)	66	84
<u>District No. 12.</u>		
Prineville National Bank, Prineville, Oregon. (Insolvent)	33	
Inland Empire Bank of Pendleton, Oregon. (V.L. Suc. by First Inland National Bank of Pendleton)	180	213
	Total	557

Approved.

The meeting adjourned at 12:40 p. m.

Chester Moriel  
Secretary.

Approved:

Engelhardt  
Governor.