

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, December 23, 1931, at 11:40 a. m.

PRESENT: Governor Meyer
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Pole

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

The minutes of the meetings of the Federal Reserve Board held on December 9, 11, 15 and 17 were approved.

The minutes of the meeting of the Executive Committee of the Federal Reserve Board held on December 14 were approved, and upon motion, the actions recorded therein were ratified.

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

Letter dated December 17 from the Assistant Secretary of the Federal Reserve Bank of New York, and telegrams dated December 17, from the Chairmen of the Federal Reserve Banks of Kansas City and San Francisco, and December 18 from the Chairman of the Federal Reserve Bank of Chicago, all advising that at meetings of the 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 Richmond and Atlanta of employees for whom the directors authorized leaves of absence with pay on account of illness during the month of November, where the total of such absences since January 1, 1931 has exceeded thirty days; the Board's Committee recommending approval

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of the salary payments involved.

Approved.

Letters from the Federal Reserve Agents at the various Federal Reserve banks, except New York and Minneapolis, with regard to the redesignation of Assistant Federal Reserve Agents and Acting Assistant Federal Reserve Agents.

Upon motion, the following redesignations were approved for the year 1932 except where otherwise stated:

<u>Bank</u>	<u>Name</u>	<u>Redesignation</u>
Boston	Charles F. Gettemy	Assistant Federal Reserve Agent
Philadelphia	Arthur E. Post	Assistant Federal Reserve Agent
	Ernest C. Hill	" " " "
	J. Frank Rehfuss	Acting Assistant Federal Reserve Agent
Cleveland	J. B. Anderson	Assistant Federal Reserve Agent
	W. H. Fletcher	" " " "
Richmond	J. G. Fry	Assistant Federal Reserve Agent
	Robert L. Shepherd	Acting Assistant Federal Reserve Agent
	Henry Schutz	" " " "
	R. L. Honeycutt	Baltimore Branch (temporary) Acting Assistant Federal Reserve Agent Charlotte Branch (temporary)
Atlanta	Ward Albertson	Assistant Federal Reserve Agent
Chicago	C. S. Young	Assistant Federal Reserve Agent
	George A. Prugh	" " " "
	Carl Schelling	To act for Federal Reserve Agent in receipt and delivery of Federal Reserve notes.
St. Louis	Clarence M. Stewart	Assistant Federal Reserve Agent
	L. H. Bailey	Acting Assistant Federal Reserve Agent
	F. P. McGuire	" " " "
Kansas City	A. M. McAdams	Assistant Federal Reserve Agent
	H. H. Rhodes	Acting Assistant Federal Reserve Agent
Dallas	Charles C. Hall	Assistant Federal Reserve Agent
	W. J. Evans	" " " "

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<u>Bank</u>	<u>Name</u>	<u>Redesignation</u>
San Francisco	S. G. Sargent	Assistant Federal Reserve Agent
	Oliver P. Wheeler	" " " "

Draft of reply to letter dated December 3 from the Assistant Federal Reserve Agent at Chicago transmitting, with a favorable recommendation, the voluntary notice of intention to withdraw from the Federal Reserve System, filed under date of December 1 by the Ottumwa Savings Bank, Ottumwa, Iowa, with the request that it be permitted to withdraw from membership immediately; the reply stating that the Board has voted to waive in this case the usual requirement of six months notice and to grant the bank's request.

Upon motion, the reply was approved.

Draft of telegram to all Federal Reserve banks advising, in accordance with an executive order signed by the President on December 22, that the offices of the Board, with the exception of the Gold Settlement Division, will be closed on Saturday, December 26.

Upon motion, the telegram was approved.

Telegraphic replies, approved by five members of the Board on December 19, to two letters dated December 17 from the Governor of the Federal Reserve Bank of New York requesting approval of the action of the Board of Directors of the bank in authorizing the officers to open and maintain on the books of the Federal Reserve Bank of New York, accounts for the Banco de Portugal of Lisbon, Portugal, and the Banco Central de Chile of Santiago, Chile, and to carry out operations in this market for those banks along the same general lines and subject to the same terms and conditions as for other foreign central banks having accounts with the Federal Reserve Bank of New York; the Board's replies advising of approval of the action taken by the

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directors.

Upon motion, the replies were approved.

Reply, approved by five members of the Board on December 19, to a letter dated December 15 from the Federal Reserve Agent at Chicago recommending approval of the application of the Citizens State Bank of Jamestown, Indiana, for permission to discount paper acquired by it from the State Bank of Lizton, Indiana, a nonmember; the reply stating that the Federal Reserve Board authorizes the Federal Reserve Bank of Chicago, in its discretion, for a period of six months from December 19, to rediscount for the Citizens State Bank of Jamestown, good and eligible paper acquired from or bearing the signature or endorsement of the State Bank of Lizton, upon the condition that no such paper shall be rediscounted until the Citizens State Bank has first utilized all other paper in its portfolio which is eligible and acceptable to the Federal Reserve bank for discount.

Upon motion, the reply was approved.

Telegraphic reply, approved by five members of the Board on December 22, to a letter dated December 21 from Deputy Governor Rounds of the Federal Reserve Bank of New York requesting that the Board permit the Federal Reserve bank to purchase tax warrants of the County of Ontario, New York, in the amount of \$75,000, from the Canandaigua National Bank and Trust Company, Canandaigua, New York; the reply stating that the Board approves the purchase of the tax warrants referred to, waiving the requirement of Section III(b) of Regulation E that such warrants be issued in anticipation of taxes or revenues "which are due and payable on or before the date of maturity of such warrants", it being understood that the warrants meet the other requirements of the Board's Regulation E except that the amount is in excess of 25% of the total

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warrants of the County of Ontario outstanding.

Upon motion, the reply was approved.

Reply, approved by five members of the Board on December 22, to letters dated December 8 and 9 from the Federal Reserve Agent and Assistant Federal Reserve Agent at Kansas City, with regard to the action of the Sundance State Bank, Sundance, Wyoming, on November 14, 1931, in taking over the business of the Hulett State Bank, Hulett, Wyoming, a nonmember; the reply requesting certain additional information and stating that the Board is deferring, until after the next examination of the member bank, consideration of the question whether the transaction will result in any change in the general character of the business of the member bank, or in the scope of the functions exercised by it, within the meaning of the so-called general condition under which it was admitted to membership in the Federal Reserve System.

Upon motion, the letter was approved.

Draft of reply to letter dated December 9 from the Federal Reserve Agent at Philadelphia with regard to the action of the York Trust Company, York, Pennsylvania, a member bank, on December 4, 1931, in assuming the deposits and acquiring for liquidation the assets of the North York State Bank of York, also a member; the reply requesting certain additional information and stating that the Federal Reserve Board will defer, until after the next examination of the member bank, which is scheduled to take place in the near future, consideration of the question whether the action of the York Trust Company has resulted in any change in the general character of its assets, or in the scope of the functions exercised by it, within the meaning of the so-called general condition under which it was admitted to membership.

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Upon motion, the letter was approved.

Draft of reply to letter dated November 30 from the Assistant Federal Reserve Agent at Cleveland with further reference to the action of the Woodlawn Trust Company of Aliquippa, Pennsylvania, a member bank, in assuming on October 15, 1931, the deposit liabilities and acquiring for liquidation the assets of the Aliquippa National Bank; the reply stating that in the absence of more definite information as to the value of the acquired assets, the Federal Reserve Board is deferring, until after receipt of the next report of examination, consideration of the question whether the transaction involves any change in the general character of the assets of the member bank within the meaning of the so-called general condition under which the member bank was admitted to the Federal Reserve System.

Upon motion, the letter was approved.

Draft of reply to letter dated December 9 from the Federal Reserve Agent at Dallas reporting that the National Bank of Commerce, Hugo, Oklahoma, was deficient in its required reserves for the period May 16 to November 15, but recommending that no action be taken on the matter pending receipt of a further report which will be forwarded to the Board at the proper time; the reply stating that the Board approves the Federal Reserve Agent's recommendation, and requests that if the bank's reserves are not promptly and fully restored, he give consideration to the advisability of addressing a letter to each director of the bank calling his attention to the situation and to the requirements of the law in accordance with Section IV(b) of the Board's Regulation D; the letter also advising that a copy of the Federal Reserve Agent's letter and of the Board's reply are being sent to the Comptroller of the Currency for his information.

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Upon motion, the letter was approved.

Letters, approved by five members of the Board on December 22, to the Federal Reserve Agent at Dallas and to the First State Bank of Abernathy, Texas, stating that in accordance with a recommendation of the Board of Directors of the Dallas bank, based on the reserve record of the First State Bank since January 1, 1931 and the relations of the bank with the Federal Reserve Bank of Dallas since November, 1930, the Federal Reserve Board has decided not to require the member bank to terminate its membership in the Federal Reserve System because of past deficiencies in reserves and that the proceedings which were instituted in this connection have been brought to a close.

Upon motion, the letters were approved.

Draft of reply to letters dated December 18 from the Federal Reserve Agent at Richmond submitting a resolution regarding wages adopted by the Board of Directors of the bank, and stating that the directors voted to make no change on January 1, 1932 in the compensation now paid to employees of the bank; the reply stating the position taken by the Board in this matter, as outlined in a letter addressed by it to the Chairman of the Board of Directors of the Federal Reserve Bank of Kansas City under date of December 14, 1931.

Upon motion, the reply was approved.

Replies, approved by five members of the Board today, to letters dated November 23 and 30 from Congressman Louis T. McFadden requesting information as to the amount of short-term German and Austrian indebtedness in this country, the amount of Austrian, German, English or Russian

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acceptances held by the Federal Reserve banks, the nature of any commitments or other agreements between the Federal Reserve banks and foreign central banks, their governments, or the Bank for International Settlements and the amount of German, English or Russian acceptances held by Federal Reserve Agents as collateral for Federal Reserve notes.

Approved.

Reports of Standing Committee dated December 18, 19, 21, 22, and 23, recommending approval of the following changes in stock at Federal Reserve banks:

<u>Applications for ORIGINAL Stock:</u>	<u>Shares</u>	
<u>District No. 2.</u> Montour National Bank in Montour Falls, N. Y.	21	21
<u>District No. 7.</u> The National Bank of Logansport, Indiana.	116	116
<u>District No. 10.</u> DeLay National Bank, Norfolk, Nebraska.	72	72
<u>District No. 11.</u> Citizens National Bank in Brownwood, Brownwood, Texas.	120	120
<u>District No. 12.</u> Ballard First National Bank of Seattle, Washington.	75	75
	<u>Total</u>	<u>404</u>
 <u>Applications for ADDITIONAL Stock:</u>		
<u>District No. 2.</u> New Jersey Title Guarantee & Trust Co., Jersey City, New Jersey.	21	21
<u>District No. 5.</u> First National Bank, Hinton, W. Va.	105	105
	<u>Total</u>	<u>126</u>
 <u>Applications for SURRENDER of Stock:</u>		
<u>District No. 1.</u> Brunswick National Bank, Brunswick, Maine. (V.L.Abs. by Fidelity Trust Co. of Portland, Maine.)	120	
Frontier National Bank, Eastport, Maine. (V.L.Abs. by Merrill Trust Co. of Bangor, Maine)	90	210

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<u>Applications for SURRENDER of Stock: (Cont'd)</u>	<u>Shares</u>	
<u>District No. 2.</u>		
Peoples Bank and Trust Co., Passaic, N. J. (Decrease in surplus)	210	
National Freehold Banking Co., Freehold, N. J. (V.L. Abs. by First National Bank of Freehold)	<u>120</u>	330
<u>District No. 3.</u>		
Union National Bank, Atlantic City, N. J. (V.L.Abs. by Atlantic City National Bank of Atlantic City)	240	240
<u>District No. 4.</u>		
City Savings Bank & Trust Co., Alliance, Ohio. (Insolvent)	225	
Union Trust Company, Dayton, Ohio. (Insolvent)	<u>1,920</u>	2,145
<u>District No. 5.</u>		
First National Bank, Hendricks, W. Va. (V.L.Abs. by First National Bank of Parsons, W. Va.)	30	
Citizens National Bank, Hinton, W. Va. (V.L.Abs. by First National Bank of Hinton)	<u>60</u>	90
<u>District No. 7.</u>		
State Savings Bank, Caro, Michigan. (Insolvent)	60	
First National Bank, Bay City, Mich. (Insolvent)	<u>480</u>	540
<u>District No. 8.</u>		
First National Bank, Mt. Carmel, Ill. (V.L.Abs. by American-First National Bank of Mt. Carmel)	90	
Citizens National Bank, Sedalia, Mo. (Insolvent)	180	
First National Bank, Christopher, Ill. (Insolvent)	51	
First National Bank, West Frankfort, Ill. (Insolvent)	60	
First National Bank, Corinth, Miss. (Insolvent)	<u>72</u>	453
<u>District No. 9.</u>		
American National Bank, Lake Crystal, Minn. (V.L.Abs. by First National Bank of Lake Crystal)	22	22
<u>District No. 10.</u>		
Kaw Valley National Bank, Topeka, Kansas. (V.L.Abs. by Kaw Valley State Bank)	<u>75</u>	<u>75</u>
	Total	4,105

Approved.

Reports of Standing Committee dated December 17 and 23, recommending
action on applications for fiduciary powers by the following banks:

District No. 1.

The Thomaston National Bank, Thomaston, Maine. (Powers 1-3, 5, 8 and 9.
Confirmatory. Consolidation of Georges National Bank
and Thomaston National Bank)

Approved.

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District No. 1.

The Barnstable County National Bank of Hyannis, Mass. (3374)

Held.

Reports of Standing Committee dated December 23, recommending approval of the following Clayton Act applications:

Mr. W. F. Carter for permission to serve at the same time as director of the First National Bank in St. Louis, Mo., and as director of the Industrial Savings Trust Company, St. Louis, Mo.

Mr. J. M. Kurn for permission to serve at the same time as director of the First National Bank in St. Louis, Mo., and as director of the Industrial Savings Trust Company, St. Louis, Mo.

Mr. C. C. Benton for permission to serve at the same time as director and officer of the First National Bank of Waynoka, Oklahoma, and as officer of the Exchange National Bank of Tulsa, Oklahoma.

Mr. Rawleigh Warner for permission to serve at the same time as director of the Central Republic Bank and Trust Company of Chicago, Ill., as director of the City National Bank and Trust Company of Evanston, Ill., and as director of the Drovers National Bank of Chicago, Ill.

Mr. David R. Forgan for permission to serve at the same time as director of the Central Republic Bank and Trust Company of Chicago, Ill., and as director of the City National Bank and Trust Company of Evanston, Ill.

Approved.

The meeting adjourned at 12:15 p. m.

Walter Moulton
Secretary.

Approved:

W. J. Moulton
Governor.