A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, December 29, 1931, at 12:10 p. 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 following matters were considered and acted upon by the Board:

Report of Committee on District No. 2 recommending (1) that Mr. J. H. Case be reappointed as a Class C director of the Federal Reserve Bank of New York for a term of three years beginning January 1, 1932 and that he be redesignated as Chairman of the Board of Directors of the bank and as Federal Reserve Agent for the coming year, (2) that Mr. Owen D. Young be reappointed as Deputy Chairman of the Board of Directors of the Federal Reserve Bank of New York for the year 1932, (3) that Mr. George G. Kleindinst, President of the Liberty Bank, Buffalo, New York, be reappointed as a director of the Buffalo Branch for a term of three years beginning January 1, 1932.

Upon motion, the appointments and designation recommended by the Committee were made.

Letter to the General Manager of the National Association of Finance Companies, Chicago, Illinois, referring to the petition filed with the Board by the Association in October 1931, requesting that the Federal Reserve Board amend its Regulations so as to make eligible for rediscount at Federal Reserve banks notes drawn by banking or financing companies the proceeds of which are to be used for the purchasing of obligations or evidences of indebtedness created in the marketing of goods on a deferred payment plan; the reply stating (1) that the eligibility of such paper for rediscount by Federal Reserve banks...
is a subject which has been considered by the Federal Reserve Board at various
times in the past and the Board has been advised uniformly by its Counsel that
such paper is not eligible for rediscount under the terms of the law, and (2)
that paper of factors and cooperative marketing associations issued for the
purpose of making advances to producers of agricultural products, to which
reference is made in the petition, is specifically made eligible for rediscount
by the amendment to the Federal Reserve Act of March 4, 1923.

Letter approved.

Telegram to the Federal Reserve Agent at Minneapolis advising that
the Board approves (1) the redesignation for the year 1932 of Messrs. Curtis
L. Mosher and F. M. Bailey as Assistant Federal Reserve Agents and Mr. Oliver
S. Powell to act for the Federal Reserve Agent in the performance of certain
duties, and (2) the redesignation for a period of three months of Mr. J. E.
O'Connell as Acting Assistant Federal Reserve Agent, and Messrs. A. T.
Hibbard and Fred Heinecke as Alternate Acting Assistant Federal Reserve Agents
at the Helena branch; the telegram also suggesting that the Federal Reserve
Agent give further consideration to the Board's letter of October 24, 1931,
relative to the service of Mr. O'Connell at Helena, should it appear necessary
to continue the designations there beyond March 31, 1932.

Telegram approved.

Reply to letter dated December 15 from the Governor of the Federal
Reserve Bank of Philadelphia stating that under the authority given by the
Board on November 10, 1931, the architect employed by the Philadelphia bank
has made additional studies for the proposed enlargement of the bank's building
and has detailed his plans to the point where, in his opinion, builders will
probably be willing to name an absolute figure as to costs, and has inquired
whether these studies, with accurate preliminary estimates of cost, will be sufficient for the Board’s purposes; the reply requesting that a set of the new drawings and preliminary estimates be submitted to the Board which will then advise whether any further information is desired.

Letter approved.

Letter to the Federal Reserve Agent at Atlanta advising, in accordance with the recommendation contained in his letter of December 19, in which he reported that the First National Bank of Huntsville, Tennessee, has been deficient in its reserves for a period of more than six consecutive months, that, other than to forward a copy of his letter to the Comptroller of the Currency, the Board will take no action on the matter until it has had an opportunity to consider the further report which the Agent stated will be forwarded to the Board about January 20, 1932.

Reply approved.

Reply to letter dated December 14 from the Federal Reserve Agent at San Francisco transmitting information with regard to the absorption on November 30, 1931, of the Falls City Bank, Falls City, Oregon, by the Dallas City Bank, Dallas, Oregon, a member bank; the reply stating that in the absence of more detailed information regarding the classification of the assets taken over from the Falls City Bank, the Federal Reserve Board is deferring consideration of the question whether the transaction has resulted in a change in the general character of the assets of the member bank or a broadening 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, but that if an examination of the Dallas City Bank, in which a representative of the Federal Reserve bank can participate, is scheduled for January or early
February, it will not be necessary for the Federal Reserve Agent to conduct a special investigation to develop information with regard to the assets taken over by the member bank.

Letter approved.

Reports of Standing Committee dated December 29, recommending approval of the following changes in stock at Federal Reserve banks:

Applications for SURRENDER of Stock:

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<th>District No. 3</th>
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<th>District No. 6</th>
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<tr>
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Approved.

Report of Standing Committee dated December 29, recommending approval of the following Clayton Act application:

Mr. Lewis F. Rose for permission to serve at the same time as director of the First National Bank in Sidney, New York, and as a director and officer of The Wilber National Bank of Oneonta, New York.

Approved.

The meeting adjourned at 12:45 p. m.

Approved:  

Governor.