

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, December 31, 1931 at 11:35 a.m.

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

Mr. Morrill, Secretary
Mr. McClelland, Assistant Secretary
Mr. Harrison, Assistant to the Governor
Mr. Smead, Chief, Division of Bank Operations.

The Committee considered and acted upon the following matters:

Telegram dated December 30 from the Chairman of the Federal Reserve Bank of Boston advising that the Board of Directors, at its meeting on that date, made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Telegram dated December 31 from the Federal Reserve Agent at New York stating that he desires to redesignate Messrs. William H. Dillistin and Herbert S. Downs as Assistant Federal Reserve Agents at the bank for the coming year.

Designations approved.

Letter to the Chairman of the Federal Reserve Bank of Atlanta advising in response to the request contained in his letter of December 16, 1931, of approval by the Board of the payment of a fee of \$1,500 to Mr. Edward J. Smith, Attorney, Nashville, Tennessee, for services rendered in the case of *Womack & Stone and Flat Creek Savings Bank v. the Federal Reserve Bank of Atlanta, et al.*

Letter approved.

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Reply to letter dated December 15 from the Assistant Federal Reserve Agent at Chicago expressing the opinion, on the basis of an appraisal of the assets acquired by the Oak Park Trust and Savings Bank, Oak Park, Illinois, a member bank, through the absorption on November 1, 1931, of the North Oak Park State Bank, that the transaction does not in any manner change the character of the assets or the scope of the functions exercised by the member bank within the meaning of the so-called general condition under which it was admitted to the Federal Reserve System, and that the matter has been taken up with the State Banking Department which agrees that the member bank is fully protected against any loss as a result of the transaction; the reply stating that the Board will interpose no objection, under the conditions to which the Oak Park Trust and Savings Bank is subject, to the action of that institution in absorbing the business of the nonmember bank.

Reply approved.

Telegram to the Chairmen of all Federal Reserve banks giving the quotations on United States Government securities which are to be used by the Federal Reserve banks in determining the amount of the depreciation reserve to be set up on United States securities held at the close of business today, the telegram also stating that the reserve should be shown in the earnings and expense statement against the caption "Depreciation Reserve on United States Securities" and that in the condition statement it should be included in "All Other Liabilities", also that the amount charged off as depreciation in sterling balances should be included in the item "All Other" deductions from current net earnings in the earnings and expense statement.

Telegram approved.

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Reports of Standing Committee dated December 30, recommending approval of the following changes in stock at Federal Reserve banks:

<u>Application for ORIGINAL Stock:</u>	<u>Shares</u>	
<u>District No. 2.</u>		
Carthage National Exchange Bank, Carthage, N. Y.	300	300
<u>Applications for SURRENDER of Stock:</u>		
<u>District No. 2.</u>		
Lincoln National Bank, Passaic, N. J. (V.L.Abs. by Peoples Bank & Trust Company)	450	450
<u>District No. 4.</u>		
Citizens National Bank, Ellwood City, Pa. (Insolvent)	72	
First National Bank, Somerfield, Pa. (Insolvent)	<u>60</u>	132
<u>District No. 5.</u>		
First National Bank, Luray, Va. (Insolvent)	42	42
<u>District No. 10.</u>		
First National Bank, Steamboat Springs, Colo. (Insolvent)	30	30
	<u>Total</u>	<u>654</u>

Approved.

The meeting adjourned at 12:00 noon.

Chester Merrill
Secretary.

Approved:

Eugene Meyer
Governor.