

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, January 8, 1932, at 3:20 p. m.

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

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

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

Letter dated January 7 from the Secretary of the Federal Reserve Bank of New York, and telegrams dated January 7 from the Chairmen of the Federal Reserve Banks of Kansas City, Dallas and San Francisco, and January 8 from the Secretaries of the Federal Reserve Banks of Cleveland and Atlanta and 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.

Reply to a telegram dated January 7 from the Governor of the Federal Reserve Bank of New York, advising that the Board of Directors of the Federal Reserve Bank of New York, at its meeting yesterday, voted, subject to the approval of the Federal Reserve Board, to authorize the officers to arrange for the renewal for a period not exceeding three months of the Federal reserve banks' participation of \$4,000,000 in the central bank credits to the Hungarian National Bank which expire on January 18, provided the other principal participants in the credits do likewise, it being understood that the renewals will be upon substantially the same terms and conditions as

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the existing credits; the reply stating that the Federal Reserve Board offers no objection to the action taken by the directors of the New York bank.

Reply approved, Mr. Miller not voting.

Reply to a telegram received from the Governor of the Federal Reserve Bank of New York under date of January 7 advising that at the meeting of the directors of the New York bank yesterday it was voted, subject to the approval of the Federal Reserve Board, to authorize the officers to arrange for the renewal for a period not exceeding three months of the Federal reserve banks' participation of approximately \$975,000 in the central bank credit to the Austrian National Bank which expires on January 16, provided the other principal participants in the credit do likewise, it being understood that the renewal will be upon substantially the same terms and conditions as the existing credit; the reply stating that the Board offers no objection to the action taken by the New York directors.

Reply approved, Mr. Miller not voting.

Mr. Miller stated that his position with regard to the credits to the Hungarian National Bank and the Austrian National Bank is the same as when the question of granting the credits was originally considered by the Board, at which time he voted in the negative.

A discussion then ensued with regard to the possible effects upon the Bank of America National Trust and Savings Association, San Francisco, California, and the general banking situation, of the contest now going on for the control of the Transamerica Corporation which owns substantially all of the stock of the member bank, and, at the request of the other members present, the Governor discussed the matter over the telephone with the Governor of the Federal Reserve Bank of San Francisco.

At the conclusion of the discussion, during which Mr. Morrill joined the meeting, the Secretary was directed to send the following telegram to the Chairman and Governor of the San Francisco bank:

"At its meeting today the Federal Reserve Board considered the situation with respect to the contest now going on for control of the holding corporation that owns substantially all of the stock of the Bank of America National Trust and Savings Association. The feeling of the Board is that already the publicity that has taken place and the court actions that have been instituted have adversely affected not only the welfare of the bank but, because of its magnitude, the banking and business interests generally of the territory served and, indeed, have been a disturbing factor in general banking confidence throughout the country. The Board feels that not only would the Federal Reserve Bank of San Francisco be justified in using its friendly offices to the fullest extent in this situation, even though not a part of its official duties, but that the public has a right to expect the officers and directors of the Federal Reserve Bank of San Francisco to intermeditate in the situation. While the Board appreciates that you are in the best position to determine what should be done, it nevertheless suggests that the Federal Reserve Bank of San Francisco, at the proper time and in the discretion of its management, may properly call into conference the representatives of the two factions and make every effort to bring about a composition of the existing differences as promptly and as conclusively as possible and endeavor to remove existing or prospective adverse actions affecting the welfare of the bank and the banking position of your community. If such conferences fail of prompt and satisfactory results, the Federal Reserve Board suggests as a further possible course of action that a group of men commanding public confidence be invited to confer upon the situation. Because of the grave public interests involved, the Board feels that such a group may properly be asked to intervene and use their good offices to assist in composing existing differences. The Board takes this action solely in the public interest and the suggestions made have neither been initiated nor suggested by any of the parties to the controversy referred to."

Reports of Standing Committee dated January 8, recommending approval of the following changes in stock at Federal reserve banks:

<u>Application for ORIGINAL Stock:</u>	<u>Shares</u>	
<u>District No. 10.</u>		
American National Bank, Creighton, Nebr.	21	21

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	<u>Shares</u>	
<u>Application for ADDITIONAL Stock:</u>		
<u>District No. 2.</u>		
Manufacturers National Bank, Troy, N. Y.	360	360
<u>Applications for SURRENDER of Stock:</u>		
<u>District No. 2.</u>		
Chase National Bank of the City of New York, N. Y. (Decrease in surplus)	14,400	14,400
<u>District No. 4.</u>		
Citizens Savings Bank Co., Upper Sandusky, Ohio. (Insolvent)	60	60
<u>District No. 5.</u>		
First National Bank, Burlington, N. C. (Insolvent)	120	120
<u>District No. 10.</u>		
First National Bank, Brighton, Colo. (Insolvent)	29	29
	<u>Total</u>	<u>14,609</u>

Approved.

The meeting adjourned at 5:05 p.m.

*E. W. Woodland*  
Assistant Secretary.

Approved:

*E. W. Woodland*  
Governor.