

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, February 3, 1932, at 11:37 a. m.

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

Mr. Morrill, Secretary  
Mr. McClelland, Assistant Secretary.

The minutes of the meetings of the Executive Committee of the Federal Reserve Board held on January 22 and 23 were approved, and the actions recorded therein were ratified.

The minutes of the meetings of the Federal Reserve Board held on January 25, 26, 27 and 28 were approved.

The Board then considered and acted upon the following matters:

Report of Committee on Salaries and Expenditures on a letter dated January 27 from the Chairman of the Federal Reserve Bank of Dallas requesting approval of a salary of \$1,800 per annum for Mr. Howell E. Smith who has been temporarily appointed to the appraised position of special representative in the insolvent banks department of the bank; the Board's Committee recommending approval.

Approved.

Telegraphic reply, approved by five members of the Board on February 1, to a telegram received on that date from Deputy Governor Logan of the Federal Reserve Bank of New York requesting approval of the purchase of \$98,500 of tax revenue warrants of the Town of Secaucus, New Jersey, offered by the First National Bank of Secaucus; the reply stating that the Board authorizes the purchase with the understanding that the warrants meet all requirements of the Board's Regulation E except as to the population of

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the issuing municipality and the proportion of the amount offered to the total amount of warrants outstanding.

Reply approved.

Letter, approved by five members of the Board on February 2, to Deputy Governor Hutt of the Federal Reserve Bank of Philadelphia, stating that the Federal Reserve Board has considered the request contained in his letter of January 28 that the bank be authorized to proceed to take bids for the proposed enlargement of the Philadelphia building in accordance with the plans submitted by Mr. Hutt at the meeting on January 26; that the Board will interpose no objection to the bank asking for bids on the basis of the plans submitted; and that when bids have been received the proposal which the Board of Directors of the Philadelphia bank desires to accept should be submitted to the Federal Reserve Board for approval, together with bids or carefully prepared estimates covering the cost of all items not included in the general contract and of all fees which are to be paid in connection with the construction and equipment of the building.

Letter approved.

Telegram to the Governor of the Federal Reserve Bank of San Francisco, approved by five members of the Board on February 2, and dispatched on that date over the signatures of the Federal Reserve Board and the Reconstruction Finance Corporation with the understanding that, in addition to approval by the Federal Reserve Board, the telegram had received the approval of the Board of Directors of the Reconstruction Finance Corporation.

The telegram, as follows,  
was approved:

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"You are requested immediately to communicate the following message verbatim to Transamerica Corporation at San Francisco and to Associated Transamerica stockholders QUOTE The contest now in progress between Associated Transamerica stockholders and Transamerica Corporation for proxies which will control the election of directors at the annual meeting of shareholders of Transamerica Corporation on February fifteenth has proceeded to a point where the conflicting aims of the opposing groups affect adversely the public interest STOP Under ordinary circumstances the selection of directors of a corporation should be left to the unrestricted choice of its shareholders STOP But the conditions surrounding the present controversy, the importance of the interests controlled by Transamerica Corporation, and the manner in which the campaign for proxies has been conducted by both groups as well as the effect which further controversy of this character may have upon the important interests not directly engaged in the fight for proxies, impel us to the conclusion that in the public interest the selection of the board of directors should be removed from controversy and entrusted to impartial hands, with the view of selecting a board that will represent no single group, but all stockholders and the general public STOP We, therefore, strongly urge the unqualified adoption by both groups of the following plan COLON Transamerica Corporation and Associated Transamerica stockholders shall each select one member of a committee of three, the third member to be agreed upon by the two thus selected, or in case they do not agree, the third member to be named by some individual or public body agreed upon by them for this purpose STOP The committee so selected shall be authorized by both groups to nominate the directors of Transamerica Corporation who shall take office February fifteenth STOP The representative selected by Transamerica Corporation and the one selected by the Associated Transamerica stockholders shall each have the right to veto one selection for such nomination agreed upon by the other two to serve on the board of directors STOP Both groups, i. e., Transamerica and Associated Transamerica stockholders, shall agree to vote all proxies held or which may be obtained for the board so nominated STOP The matter is one of such great public moment that it demands your immediate consideration and your early acceptance of the foregoing, which to be effective must be without qualification STOP Kindly transmit your answer to the Governor of the Federal Reserve Bank of San Francisco STOP UNQUOTE If the parties to whom this message is delivered do not agree to the plan suggested after having a reasonable time to consider it, you should notify us promptly so that, if it then seems desirable, we may authorize you to give the message to the press in order that the stockholders and the public may understand the situation well in advance of the stockholders meeting."

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Letter, approved by five members of the Board on February 1, to the Chairman of the Federal Reserve Bank of Atlanta, stating that the Board has received the report of examination of the Atlanta bank, made by the Board's examiners as at the close of business on November 7, 1931, and that after the directors and the officers of the bank have had an opportunity to study the report, the Board would be glad to be advised as to the action that has been or will be taken with respect to the exceptions listed and suggestions made by the examiners, together with any comments that the bank may wish to make concerning other features of the report.

Letter approved.

Letter dated January 27 from the Chairman of the Federal Reserve Bank of New York stating that, for special considerations outlined, the board of directors had voted, subject to the approval of the Federal Reserve Board, to fix the salaries of Deputy Governors L. R. Rounds and J. E. Crane at the rates of \$30,000 and \$23,000 per annum, respectively, effective January 1, 1932, an increase of \$3,000 per annum in each case; the letter also stating (1) that action had been deferred for the time being with respect to a possible flat reduction in salaries throughout the bank on the understanding that the question may be taken up some weeks later for consideration in the light of conditions as they exist at that time, and (2) that the officers of the bank have been directed to report to the board of directors at as early a date as may be practicable, a pension plan or retirement system for the bank, which, if approved by the directors, will be submitted to the Federal Reserve Board for its consideration.

After a brief discussion, the salaries fixed by the board of directors of the Federal Reserve Bank of New York for Deputy

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Governors Rounds and Crane were approved,  
Mr. Miller voting "no".

Reports of Standing Committee dated February 1 and 2, recommending approval of the following changes in stock at Federal Reserve banks:

<u>Applications for ORIGINAL Stock:</u>	<u>Shares</u>	
<u>District No. 7.</u>		
First National Bank in Blandinsville, Ill.	23	
Newton National Bank, Newton, Iowa.	<u>72</u>	95
<u>Applications for ADDITIONAL Stock:</u>		
<u>District No. 1.</u>		
Day Trust Company, Boston, Mass.	3	3
<u>District No. 2.</u>		
Sussex County Trust Company, Franklin, N. J.	30	
Montclair Trust Company, Montclair, N. J.	60	
Citizens National Bank & Trust Co., Ridgewood, N. J.	30	
Bank of East Aurora, East Aurora, N. Y.	30	
Citizens Bank, Perry, N. Y.	<u>6</u>	156
<u>District No. 4.</u>		
Citizens National Bank, Bluffton, Ohio.	30	
Fairfield National Bank, Lancaster, Ohio.	60	
Home Banking Company, St. Marys, Ohio.	1	
National Bank of Springdale, Springdale, Pa.	<u>15</u>	106
<u>District No. 6.</u>		
Liberty National Bank & Trust Co., Savannah, Ga.	2	2
	<u>Total</u>	<u>267</u>
<u>Applications for SURRENDER of Stock:</u>		
<u>District No. 2.</u>		
Silver Creek National Bank, Silver Creek, N. Y. (Decrease in surplus)	30	30
<u>District No. 3.</u>		
Northwestern National Bank & Trust Co., Philadelphia, Pa. (Decrease in surplus)	180	180
<u>District No. 4.</u>		
Citizens National Bank, Harlan, Ky. (Insolvent)	78	
Farmers National Bank, Clarksville, Ohio. (V.L.Abs. by Clinton County National Bank & Trust Co. of Wilmington, Ohio.)	<u>18</u>	96
<u>District No. 5.</u>		
Bishopville National Bank, Bishopville, S. C. (Insolvent)	51	51

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<u>Applications for SURRENDER of Stock: (Cont'd)</u>	<u>Shares</u>	
<u>District No. 6.</u>		
Citizens and Southern National Bank, Savannah, Ga. (Decrease in surplus)	900	900
<u>District No. 7.</u>		
First National Bank, South Bend, Ind. (V.L.Abs. by Indiana Trust Company)	720	
Henry National Bank, Henry, Ill. (V.L.Abs. by First National Bank of Henry)	60	
Peru National Bank, Peru, Ill. (V.L.Suc. by State National Bank of Peru)	<u>90</u>	870
<u>District No. 8.</u>		
Vandeventer National Bank, St. Louis, Mo. (Insolvent)	<u>180</u>	<u>180</u>
	Total	2,307

Approved.

Reports of Standing Committee dated February 3, recommending approval of the following Clayton Act applications:

Mr. C. S. Brewer for permission to serve at the same time as director and officer of the First National Bank of Herkimer, N. Y., and as director of the Oneida National Bank and Trust Company of Utica, New York.

Mr. Thomas C. Wallace for permission to serve at the same time as director and officer of the South Side National Bank and Trust Company of Newark, N. J., and as officer of the West Side Trust Company of Newark, N. J.

Mr. C. H. Rahb for permission to serve at the same time as officer of the South Side National Bank and Trust Company of Newark, N. J., and as officer of the West Side Trust Company of Newark, N. J.

Mr. Ferdinand T. Burger for permission to serve at the same time as director of the South Side National Bank and Trust Company of Newark, N. J., and as director and officer of the West Side Trust Company of Newark, N. J.

Mr. Clay F. Lynch for permission to serve at the same time as director of the First National Bank of Latrobe, Pa., and as director of the First National Bank of Scottdale, Pa.

Mr. George H. Campbell for permission to serve at the same time as director and officer of the Logan National Bank and Trust Company, New Kensington, Pa., as director and officer of the Forbes National Bank of Pittsburgh, Pa., and as director of the Parnassus National Bank of Parnassus, Pa.

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Mr. Walter A. Fox for permission to serve at the same time as director and officer of the Ohio National Bank of Columbus, Ohio, and as director and officer of the Columbus Morris Plan Bank of Columbus, Ohio.

Mr. E. B. Shadden for permission to serve at the same time as officer of the Hamilton National Bank of Chattanooga, Tenn., as director of the First National Bank of Harriman, Tenn., and as director of the Hamblen National Bank of Morristown, Tenn.

Approved.

The meeting adjourned at 11:55 a.m.

Oester Howell  
Secretary.

Approved: [Signature]  
Governor.