

A meeting of the Federal Reserve Board was held on Wednesday,
June 15, 1932, at 12:15 p. m.

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

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

The Board considered and acted upon the following matters:

Telegrams dated June 13, 1932, from the Secretary of the Federal Reserve Bank of Minneapolis and June 15, 1932, from the Chairmen of the Federal Reserve Banks of Philadelphia and St. Louis, 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.

Letter dated June 13, 1932, from the Federal Reserve Agent at Kansas City stating that if there is no objection on the part of the Board he will take his vacation during the month of July.

Noted without objection.

Telegram to the Governor of the Federal Reserve Bank of Atlanta replying to his letter of June 13, 1932, requesting authority for an advance by the Atlanta bank, in accordance with the provisions of section 10(b) of the Federal Reserve Act, as amended, to the Georgia Savings Bank and Trust Company, Atlanta, Georgia, in the amount of \$890,000, at a rate of 5 1/2% per annum payable on demand with interest payable monthly, and on the security of miscellaneous stocks and bonds and bills receivable secured by first mortgages on Atlanta property totaling \$1,106,000; the

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advance being desired to place the bank in a position to meet expected withdrawals of deposits. The reply stated that the Board authorizes the advance subject to the terms and conditions recommended and that in the event the advance is not repaid nor demand for payment made within ninety days from June 15, the matter should again be brought to the attention of the Board with a statement of the circumstances which, in the opinion of the Atlanta bank, justify the bank in continuing the advance without demand for payment.

Reply approved.

Letter to the Federal Reserve Agent at Philadelphia requesting that he advise the Miners Banking Trust Company of Shenandoah, Pennsylvania, that, effective if and when the Comptroller of the Currency authorizes the bank to commence business as the Miners National Bank of Shenandoah, the Federal Reserve Board has granted it the right to act, under the provisions of section 11(k) of the Federal Reserve Act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State of Pennsylvania, the exercise of such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Federal Reserve Board.

Letter approved.

Letter to the First National Bank of Holdredge, Nebraska, stating that the Federal Reserve Board has approved the application filed by the

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bank through the Federal Reserve Agent at Kansas City, for permission to act, when not in contravention of State or local law, as trustee, executor, administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics, or in any other fiduciary capacity in which State banks, trust companies, or other corporations which come into competition with national banks are permitted to act under the laws of the State of Nebraska, the exercise of such rights to be subject to the provisions of the Federal Reserve Act and the regulations of the Federal Reserve Board.

Application and letter approved.

Letter to Senator M. M. Logan, approved by five members of the Board on June 8, 1932, in reply to his letter of May 21, 1932, stating that the Peoples State Bank of Scottsville, Kentucky, had requested him to ask if that bank might be transferred from the eighth to the sixth Federal reserve district; the reply stating that according to the records of the Board the Peoples State Bank is not a member of the Federal reserve system and does not pay its checks at par through the Federal Reserve Bank of St. Louis, that in these circumstances it is difficult to see how the Board would be justified in changing the Federal reserve district lines at the request of the bank or that any convenience would accrue to it as a result of such a change, and that evidently the bank's communication was based upon a misunderstanding of the situation.

Reply approved.

Reply, approved by five members of the Board on June 14, to a letter dated June 1, 1932, from Congressman John L. Cable, with regard to the extent of the Federal reserve banks' operations under the Glass-Steagall

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Act; the reply stating that Federal reserve banks have made no advances under section 10(a) of the Federal Reserve Act, that advances under section 10(b) as of June 8, 1932, amounted to \$6,907,000, of which \$1,395,000 had been repaid, and that on June 8 United States securities pledged with the Federal reserve agents as collateral security for Federal reserve notes outstanding, as authorized by section 3 of the Glass-Steagall Act, aggregated \$360,200,000. The reply also inclosed copies of publications issued by the system containing statements regarding operations under the Glass-Steagall Act.

Reply approved.

Letter to Mr. P. H. Smith, Treasurer of the Banner Fuel Corporation, Clinchfield, Virginia, replying to his letter of May 28, 1932, with regard to a check drawn on the Durham Loan and Trust Company, Durham, North Carolina, in favor of the Banner Fuel Corporation; the reply stating that it appears that the check in question was handled by the Federal Reserve Bank of Richmond in accordance with the Board's regulations and that there is no evidence of negligence on the part of the Federal reserve bank. The reply also invited attention to the offer made by the Richmond bank to prove a claim, on behalf of the Banner Fuel Corporation, against the First National Bank of Durham which closed after having effected collection of the check from the drawee bank, and suggested that if the corporation desires this done it communicate directly with the Federal reserve bank.

Letter approved.

At this point Mr. Goldenweiser entered the room.

Memorandum from the Secretary dated June 15, 1932, stating that it is expected that the Board's annual report covering operations for the year

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1931, will be received from the printer this afternoon and recommending that the Board approve the immediate distribution of the report to the press, and its release for publication in the afternoon papers of Friday, June 17, 1932, following presentation to the Speaker of the House of Representatives at noon on that date.

Recommendations approved.

Governor Meyer stated that a meeting of the Executive Committee of the Open Market Policy Conference will be held in New York City tomorrow which he had been invited to attend. In this connection, the Governor referred to the present policy with regard to the purchase of Government securities for system account which was determined upon at the meeting of the Open Market Policy Conference on May 17, 1932, and approved by the Board on that date, and he stated that he believed it desirable to continue the program at least for the next two or three weeks when the matter may again be considered in the light of conditions as they then exist. The matter was discussed generally and agreement was expressed by the other members of the Board with Governor Meyer's opinion.

Reports of Standing Committee dated June 15, 1932, recommending approval of the following changes in stock at Federal reserve banks:

<u>Applications for SURRENDER of Stock:</u>	<u>Shares</u>	
<u>District No. 6.</u>		
Hancock National Bank, Sparta, Georgia. (Insolvent)	23	23
<u>District No. 11.</u>		
First National Bank, Mt. Vernon, Texas. (Cons. Merchants & Planters National Bank with the above bank)	49	49

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<u>Applications for SURRENDER of Stock: (Cont'd)</u>	<u>Shares</u>	
<u>District No. 12.</u>		
Bank of Myrtle Point, Myrtle Point, Oregon. (V.L. Abs. by Security Bank, Myrtle Point, Oregon.)	21	21
	<hr/> Total	<hr/> 93

Approved.

Reports of Standing Committee dated June 11 and 13, 1932, recommending approval of the following Clayton Act applications:

Mr. H. G. Hendricks, for permission to serve at the same time as director and officer of The American National Bank of Bristow, Oklahoma, and as officer of The Exchange National Bank of Tulsa, Oklahoma.

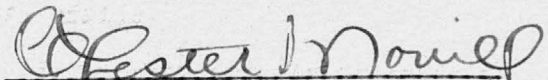
Mr. John D. Ankeny, for permission to serve at the same time as director and officer of the First Inland National Bank of Pendleton, Oregon, as director and officer of the First National Bank of Walla Walla, Washington, and as director and officer of the Columbia National Bank of Dayton, Washington.

Mr. John J. Sullivan, for permission to serve at the same time as director and officer of the Market Street National Bank of Philadelphia, Pennsylvania, and as director of the Finance Company of Pennsylvania, Philadelphia, Pennsylvania.

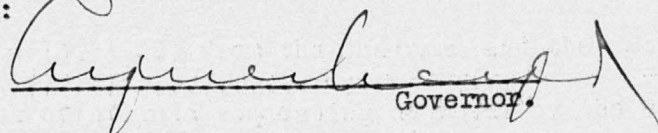
Mr. John Edwards Barbour, for permission to serve at the same time as director of the Paterson National Bank of Paterson, New Jersey, and as director of the Paterson Savings Institution of Paterson, New Jersey.

Approved.

Thereupon the meeting adjourned.


Secretary.

Approved:


Governor.