

A meeting of the Federal Reserve Board was held in Washington on Tuesday, November 22, 1932, at 11:35 a. m.

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

Mr. Morrill, Secretary
Mr. Harrison, Assistant to the Governor
Mr. Goldenweiser, Director, Division of Research
and Statistics
Mr. Smead, Chief, Division of Bank Operations
Mr. Wyatt, General Counsel
Mr. Paulger, Chief, Division of Examinations.

The Governor stated that following the meeting of the Board yesterday, he learned from the Secretary of the Treasury that the text of his annual report for the fiscal year 1932 had gone to the printer for final proof.

Governor Meyer stated that he informed the Secretary that the Board considered the summary report of the Committee on Branch, Group and Chain Banking as being in preliminary form, subject to revision; and that the Board is not ready at this time to decide when it should be released for publication.

Governor Meyer added that he understood that the Secretary had subsequently revised his report to eliminate all reference to the summary report.

There then ensued a general discussion of the summary report submitted to the Board by the Committee on Branch, Group and Chain Banking.

At the conclusion of the discussion Dr. Goldenweiser was informed that it appeared to the members of the Board from the summary report and from his description of the volumes containing the detailed report that the Committee had done excellent work within the limits which it had prescribed for its investigation and studies; but that it was felt that there were important aspects of the problems involved in the matters covered which should be dealt with more broadly before satisfactory conclusions could be formed on the basis of the Committee's report as to fundamental changes in the banking structure of the country, especially with reference to branch banking. Dr. Goldenweiser indicated the feeling that there were

11/22/32

-2-

450

interesting aspects of the question which had been raised which the Committee could not have studied without greatly expanding its operations and increasing the expense and time involved. He stated that the summary report would be reviewed for the purpose of covering as far as practicable on the basis of available information certain aspects of the matter which had developed during the discussion. The Board members expressed the feeling that for the time being action upon the question of publication of the report should be deferred, and that care should be exercised that the report in its existing form should not find its way into publication.

In this connection the Secretary reported that the Governor of the Federal Reserve Bank of Boston had called him on the telephone this morning and stated that he had contemplated discussing the committee report with the board of directors of the bank at its meeting today, but that in view of the Board's telegram of yesterday he was uncertain what to do about such a discussion. Mr. Morrill stated that he had suggested to Governor Young that he refrain from such discussion until further advice is received from the Board.

The Board then considered and acted upon the following matters:

Telegram dated November 22, 1932, from the Chairman of the Federal Reserve Bank of St. Louis, advising that the board of directors, at its meeting today, made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Telegraphic reply to a telegram dated November 21, 1932, from Deputy Governor Rounds of the Federal Reserve Bank of New York, requesting authority for a further advance in accordance with the provisions of section 10(b) of the Federal Reserve Act, as amended, to the Pelham National Bank, Pelham, New York, in the amount of \$20,000, for a period of ninety days, with interest at the rate of 5 1/2% per annum, and on the security of miscellaneous

11/22/32

-3-

customers' collateral notes with a margin of at least 25%; Deputy Governor Rounds stating as the reason for the advance that the bank has experienced a continued withdrawal of both commercial and savings deposits. The reply stated that the Board authorizes the advance subject to the terms and conditions recommended.

Unanimously approved.

Telegraphic reply to a telegram dated November 22, 1932, from Deputy Governor Rounds of the Federal Reserve Bank of New York, requesting authority for a further advance in accordance with the provisions of section 10(b) of the Federal Reserve Act, as amended, to the Atlanta National Bank, Atlanta, New York, in the amount of \$10,000, for a period of ninety days, with interest at the rate of 5 1/2% per annum, and on the security of miscellaneous domestic bonds with a margin of at least 25%; Deputy Governor Rounds stating that the bank has had to make small loans to farmers pending the disposition of their crops and that the town and school districts have been withdrawing deposits which will not be replaced until early in 1933. The reply stated that the Board authorizes the advance subject to the terms and conditions recommended.

Unanimously approved.

Reply to a letter dated November 7, 1932, from the Secretary of Commerce referring to certain statistics furnished to the Board's Division of Research and Statistics and inquiring whether, in view of the present necessity to economize in Governmental expenditures, the information is a necessary aid in the work of the Federal Reserve Board. The reply stated that final decision on the question whether the leather statistics of the Tanners Council will serve the Board's purposes, has been deferred pending the receipt of additional information from the officials of the Tanners

11/22/32

Council. The reply also reviewed the purposes served by the other statistics referred to and stated that, in view of their usefulness to the Board, the Federal reserve banks, and the public, it is hoped that the Department of Commerce will continue to furnish them.

Thereupon the meeting adjourned.

Lester Monell
Secretary.

Approved:

Ernest C. Ferguson
Governor.