

A meeting of the Executive Committee of the Federal Reserve Board was held in Washington on Saturday, March 18, 1933, at 12:00 noon.

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

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

There was discussion of the fact that the period to be covered by the list which the Board has asked the Federal reserve banks to submit to it of names and addresses of all persons who have withdrawn gold from the Federal reserve banks or member banks in their respective districts since February 1, 1933, and who have not redeposited it in a bank, expired yesterday, and of the question whether any further extension should be made or any further instructions in the premises should be sent to the Federal reserve banks. Action, however, was deferred.

Mr. Miller, as Chairman of the Committee on District No. 7, advised the Board that he had received word from the Chairman of the Federal Reserve Bank of Chicago that the executive committee of the bank has approved the appointment as deputy governor of the bank, with salary at the rate of \$20,900 per annum, of Mr. Howard P. Preston, who has been manager of the Chicago agency of the Reconstruction Finance Corporation for eight or nine months, and that the executive committee of the bank has requested an indication of the Board's views regarding the appointment and the salary proposed before taking the matter up with the other members of the board of directors of the bank.

After discussion, the Secretary was requested to advise the Chairman of the Federal Reserve Bank of Chicago that on recommendation of his board of directors the Board will approve the appointment discussed with Mr. Miller.

3/18/33

-2-

The Secretary of the Treasury then joined the meeting, and requested that the Board go into executive session. Thereupon Messrs. Morrill, McClelland, and Harrison withdrew from the room.

At the conclusion of the executive session the Secretary of the Treasury withdrew, Messrs. Morrill, McClelland, and Harrison reentered the room, and the Executive Committee proceeded to consider and act upon the following matters:

Telegram dated March 18, 1933, from the Secretary of the Federal Reserve Bank of Minneapolis advising of the establishment at the bank on that date of the following schedule of effective buying rates on acceptances:

Bankers' acceptances:	
1 to 90 days	3%
91 to 120 days	3 1/8%
121 to 180 days	3 1/2%
Repurchase	3%
Trade bills	3 1/2%

Without objection, noted with approval.

Memorandum dated March 17, 1933, from the Director of the Division of Research and Statistics, stating that the leave of absence on account of illness granted Miss Nora V. Elder, an employee of the division, expired on March 3, 1933, and recommending that, as Miss Elder is still ill, she be granted leave of absence without pay for a period not exceeding two months from March 3.

Approved.

Telegraphic reply to a telegram dated March 17, 1933, from the Federal Reserve Agent at New York referring to the increased volume of work in the agent's department and requesting approval of the appointment of Mr. Harold V. Roelse, Manager of the Reports Department, as Acting

3/18/33

-3-

476

Assistant Federal Reserve Agent at the bank, the reply stating that the Board approves the appointment, it being understood that there will be no change in the salary which Mr. Roelse is now receiving. The reply also requested that the Board be advised of the date on which the appointment becomes effective, and stated that, before entering upon his new duties, Mr. Roelse should execute the usual form of oath of office and a surety bond in the amount of \$50,000, which should be examined by the bank's counsel to determine whether its execution complies fully with the rules printed on the reverse side of the Board's form of bond 182.

Approved.

Bond in the amount of \$100,000, executed on March 15, 1933, by Mr. L. B. Williams as Federal Reserve Agent at the Federal Reserve Bank of Cleveland.

Approved.

Bond in the amount of \$50,000, executed on March 15, 1933, by Mr. Howard Evans as Assistant Federal Reserve Agent at the Federal Reserve Bank of Cleveland.

Approved.

Bond in the amount of \$50,000, executed on March 13, 1933, by Mr. Frank Spencer Parker as Acting Assistant Federal Reserve Agent at the Federal Reserve Bank of St. Louis.

Approved.

Reply to a letter dated March 9, 1933, from Deputy Governor Gilbert of the Federal Reserve Bank of New York requesting authority under the bank's personnel classification plan for the temporary employment of Miss E. M. Kuggas, as junior statistical draftsman in

3/18/33

477

-4-

the foreign department of the New York bank, for a further period of three months beginning March 12, 1933. The reply stated that the Board approves the continuance of the temporary employment as recommended.

Approved.

Reply to a letter dated February 16, 1933, from the Chairman of the Federal Reserve Bank of Dallas recommending approval by the Board of changes in the personnel classification plan of the bank so as to provide salary ranges for five positions previously classified as "appraised" and for the discontinuance of one "appraised" position. The reply stated that the Board approves the changes recommended.

Approved.

Telegram dated March 15, 1933, from the Chairman of the Federal Reserve Bank of New York advising that, effective on that date, Mr. Albert H. Wiggin tendered, and the board of directors of the New York bank accepted, his resignation as a class A director of the bank. The telegram also stated that it is planned to hold promptly an election of two new directors to fill the vacancies caused by the resignations of Mr. Wiggin and Mr. Woodin.

Noted.

Telegraphic reply to a telegram dated March 17, 1933, from the Federal Reserve Agent at Dallas with regard to the application of the First State Bank, Taft, Texas, for permission to withdraw immediately from membership in the Federal Reserve System; the reply stating that the Board waives the usual requirement of six months' notice of intention to withdraw and authorizes the Federal Reserve Bank of Dallas, upon surrender of the Federal reserve bank stock issued to the First State Bank to cancel such stock and

3/18/33

-5-

make a refund thereon. The reply requested also that the Board be advised when cancellation of the stock is effected and refund is made and that the Board be furnished with the resolution of the board of directors of the First State Bank authorizing its withdrawal from membership in the System.

Approved.

Telegraphic reply to a telegram dated March 18, 1933, from the Federal Reserve Agent at Chicago with regard to the application of the Sears Community State Bank, Chicago, Illinois, for membership in the Federal Reserve System. The reply stated that the Board authorizes the agent to change the amount of depreciation charge off as stated in condition fifteen contained in the Board's telegram of March 16, 1933, from \$34,000 to \$12,000.

Approved.

Telegram to the Federal Reserve Agent at Chicago referring to the application of the Drivers Trust and Savings Bank, Chicago, Illinois, for membership in the Federal Reserve System, and stating that, in view of the large amount of losses and depreciation in the assets of the bank now estimated by its management, the Board does not feel that the report of examination of May 13, 1932, is sufficiently current to afford a proper basis for consideration of the bank's application. The telegram suggested that the agent arrange for an early examination or credit investigation of the bank for the purpose of developing the required information as to its condition, and requested that the report to the Board include certain other information in connection with the bank's activities. The agent was also requested to call to the attention of the applicant conditions fifteen, sixteen and seventeen as contained in the Board's telegram of March 11, 1933.

Approved.

3/18/33

-6-

Reply to a letter dated January 19, 1933, and previous correspondence from the Federal Reserve Agent at St. Louis, with regard to the application of the New Harmony National Bank, New Harmony, Indiana, for permission to act in all fiduciary capacities authorized under section 11(k) of the Federal Reserve Act. The reply stated that the Board has considered again the bank's application for full trust powers and has reviewed the report of its latest examination, as of December 14, 1932, but that, in view of the condition of the institution as disclosed by the report and the recommendations of the agent and the Acting Comptroller of the Currency, the Board is unwilling to approve the application. The reply stated also that the Board will be glad to consider another application from the bank for permission to exercise full fiduciary powers when, in the opinion of the Federal reserve agent, it has effected a correction of the unsatisfactory features of its condition, and that the institution should be advised accordingly.

Approved.

Telegram to the Federal reserve agents at all Federal reserve banks stating that, in view of the large return flow of currency during the past few days, it is requested that they review their present printing orders for Federal reserve notes and Federal reserve bank notes in the light of the stock of such notes on hand in Washington and at the banks and branches, if any, including currency in transit, and advise the Board to what extent, if any, they feel that special printing orders should be revised. The telegram requested also that the Board be advised in this regard not later than noon Monday, March 20, 1933.

Approved.

3/18/33

-7-

The following regulation issued on March 18, 1933, by the Secretary of the Treasury under the authority conferred upon him by the President's Proclamations of March 6 and 9, 1933, declaring and continuing a bank holiday, which had previously been brought to the attention of the individual members of the Board, was then presented for the record:

- (L) "Deposits of the kinds described in Regulations Number 7 and Number 15 are not subject to the provisions of Regulation Number 23."

Reports of Standing Committee dated March 17 and 18, 1933, recommending approval of the following changes in stock at Federal reserve banks:

	<u>Shares</u>	
<u>Application for ORIGINAL Stock:</u>		
<u>District No. 11.</u>		
First National Bank in Burkburnett, Texas.	24	24
<u>Applications for SURRENDER of Stock:</u>		
<u>District No. 2.</u>		
Peoples National Bank, Stamford, Conn. (V.L.Abs. by First-Stamford National Bank and Trust Co.)	144	144
<u>District No. 7.</u>		
Continental Illinois National Bank & Trust Company, Chicago, Illinois. (Decrease in surplus)	24,000	
Terminal National Bank, Chicago, Illinois. (Cons. of The Terminus National Bank and The Terminal National Bank)	480	
Greensburg National Bank, Greensburg, Ind. (V.L. Suc. by Greensburg Bank, nonmember)	48	
Roseland National Bank, Chicago, Ill. (Voluntary liquidation)	<u>150</u>	24,678
<u>District No. 10.</u>		
First National Bank, Pauls Valley, Okla. (Decrease in capital and surplus)	<u>36</u>	<u>36</u>
	Total	24,858

Approved.

3/18/33

Thereupon the meeting adjourned.

Peter Morill
Secretary.

Approved:

Ernest C. ...
Governor.