

A meeting of the Executive Committee of the Federal Reserve Board was held in Washington on Wednesday, May 10, 1933, at 11:00 a.m.

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

Mr. Morrill, Secretary
Mr. Harrison, Assistant to the Governor
Mr. Wyatt, General Counsel
Mr. Smead, Chief, Division of Bank Operations.

The Committee considered and acted upon the following matters:

Telegram dated May 9, 1933, from the Secretary of the Federal Reserve Bank of Minneapolis, stating that the board of directors, at its meeting on that date, 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 May 9, 1933, from Mr. Newton, Federal Reserve Agent at San Francisco, stating that Mr. Charles P. Weigand, recently appointed examiner in the Federal reserve agent's department of the San Francisco bank for a temporary period, had been requested to serve as one of six appraisers to go over the assets of the Wingfield chain of banks in Nevada in contemplation of their reorganization; that it is proposed to cancel Mr. Weigand's commission as examiner so that he will not be connected in any way with the Federal reserve bank, with the understanding that as soon as the appraisal is completed he will be recommissioned as an examiner; and that approval by the Board of the proposed procedure is requested. The reply stated that the Board interposes no objection to the release of Mr. Weigand to assist in appraising the assets of the banks referred to, and approves his reappointment as examiner at the San Francisco bank for a

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temporary period upon completion of the appraisal.

Approved.

Telegram dated May 9, 1933, to Mr. Newton, Federal Reserve Agent at Atlanta, approved by four members of the Board, advising of approval by the Board of the application filed by the Bank of Pine Apple, Alabama, for membership in the Federal Reserve System and for 30 shares of stock in the Federal Reserve Bank of Atlanta, subject to the conditions prescribed in the telegram.

Approved.

Telegram to Mr. Hoxton, Federal Reserve Agent at Richmond, stating that the Board has approved the application filed by the Greenbrier Valley Bank, Lewisburg, West Virginia, for membership in the Federal Reserve System and for 68 shares of stock in the Federal Reserve Bank of Richmond, subject to the conditions prescribed in the telegram.

Approved.

Reply on May 9, 1933, approved by four members of the Board, to a telegram dated May 6 from Mr. Newton, Federal Reserve Agent at San Francisco, inquiring whether the Federal Reserve Board would consider an application for membership from an unlicensed State bank, which is to be reorganized, with the view of admitting the bank to membership simultaneously with its being licensed to reopen. The reply stated that the question whether favorable action would be taken upon the application in the circumstances referred to could not be determined without complete information regarding the terms of reorganization, the condition of the bank upon reopening (including its liquidity), and the character of the management proposed for

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the reorganized bank, and that, upon receipt of complete information, together with the agent's recommendation and that of the membership committee of the Federal reserve bank, the Board would be glad to give prompt consideration to the matter and to afford an opportunity for the withdrawal of the application if it should appear, in the light of all the facts, that favorable action could not be taken thereon.

Approved.

Letter to Mr. McClure, Chairman of the Federal Reserve Bank of Kansas City, commenting on various matters referred to by the Board's examiners in the report of examination of the bank as at the close of business on January 4, 1933, and stating that, after the letter and the report of examination have received the consideration of the board of directors of the Federal reserve bank, the Board will appreciate advice as to what action has been or will be taken on the matters discussed.

Approved.

Mr. Morrill stated that under date of May 2, 1933, Mr. Austin, Federal Reserve Agent at Philadelphia, transmitted to the Board a letter dated May 1 from Mr. C. S. Newhall, Vice President of the Pennsylvania Company for Insurances on Lives and Granting Annuities, suggesting four alternative courses of procedure in connection with the disposition by the company of the stock of the Main Line Trust Company, Ardmore, Pennsylvania: (1) execution of a new trust agreement which would be the same as the present agreement with the exception that there would be eliminated therefrom the provision which authorizes the trustees to transfer and assign all of such stock to the Pennsylvania Company, on such terms as the trustees may stipulate, to become

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a part of the capital and/or surplus of the Pennsylvania Company, (2) transfer the stock back to the Pennsylvania Company and declare a dividend of such stock to the shareholders of the Pennsylvania Company, (3) endeavor to sell the stock to outside interests within six months or a year, (4) liquidate the Main Line Trust Company which would leave the community without banking facilities.

After discussion, the conclusion was reached that the Federal reserve agent should be advised that the first suggested alternative is not satisfactory to the Board; that the fourth alternative does not seem to be a desirable one, as it would deprive the community of needed banking facilities; but that the second or third alternative would be acceptable to the Federal Reserve Board if carried out within a reasonable time.

At this point the Chairman joined the meeting which continued as a meeting of the Federal Reserve Board.

The Secretary presented a memorandum dated May 10, 1933, from Governor Meyer, submitting, for the records of the Board, a copy of his letter of March 24, 1933, to the President of the United States tendering his resignation as Governor and member of the Federal Reserve Board, and a copy of the President's letter to Governor Meyer of May 8, 1933, accepting the resignation. The letters referred to read as follows:

"My dear Mr. President:

"As I stated to you this morning, it is my desire to retire as a member and Governor of the Federal Reserve Board, and I therefore tender my resignation, which I trust you will accept as soon as you can conveniently arrange to do so.

"With every good wish, I am

Respectfully yours,

(S) Eugene Meyer."

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"My dear Governor Meyer:

In accordance with your request, I hereby accept your resignation as Governor and member of the Federal Reserve Board, effective at the close of business May tenth. Thank you very much indeed for complying with my request to remain until that date. I know this has been an inconvenience to you.

"I am glad to assure you of my high appreciation of the fine service you have rendered the Government and the country, and to send you my best wishes for your future welfare and happiness.

Very sincerely yours,

FRANKLIN D. ROOSEVELT".

The Chairman stated that the President had determined upon the nomination of Mr. E. R. Black, Governor of the Federal Reserve Bank of Atlanta, as a member of the Board, and his designation as Governor of the Board to succeed Governor Meyer.

The minutes of the meetings of the Federal Reserve Board held on March 7, 8, 10, 11, 16, 17, 21, and 22, 1933, were approved.

The minutes of the meetings of the Executive Committee of the Federal Reserve Board held on March 9, 12, 13, 14, 15, 18, 20, 23, 24, 25, 27, 28, 29, 30, 31, and April 1, 3, 4, 5, 6, 10, 13, 17, 24, 26, and 27, 1933, were approved and the actions recorded therein were ratified.

The minutes of the meetings of the Federal Reserve Board with the governors of Federal reserve banks held on April 19 and 22, 1933, were approved.

The minutes of the meeting of the Federal Reserve Board with governors of Federal reserve banks, the appointive directors of the Reconstruction Finance Corporation, and representatives of the Treasury Depart-

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ment and the office of the Comptroller of the Currency, held on April 20, 1933, were approved.

The memorandum, prepared by the Secretary for the minutes of the Board, covering March 4, 5, and 6, 1933, was approved.

Reference was then made to the letter received by Governor Meyer from Governor Harrison of the Federal Reserve Bank of New York, under date of May 8, 1933, and presented at the meeting of the Executive Committee of the Board yesterday, with regard to the question whether the Governor of the Federal Reserve Bank of New York might serve as a director of the Bank for International Settlements. The Chairman stated that he had received Governor Harrison's letter addressed to him as Secretary of the Treasury; that it was his feeling that the matter is of considerable importance, and, in view of the present situation, such service is inadvisable at the present time and action upon the request should be deferred; and that, if the other members of the Board agreed with that opinion, he would advise the President of the United States accordingly. The members of the Board were unanimously of the opinion that action on the matter should be deferred.

Mr. Morrill stated that, with the growth of the Board's staff, the space allotted to the Board in the Treasury Building is entirely inadequate, and that, in view also of the possible appointment of new members of the Board to fill existing vacancies, additional space should be provided. The Chairman requested that Mr. Morrill address a memorandum to him outlining the need for additional space, and stated that he would endeavor to make arrangements to have the necessary space provided.

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The Chairman then referred to the Glass Bill now under consideration by Congress, and Mr. Morrill stated that he had just received advice over the telephone from the secretary to Senator Glass that the Senator will attempt to have the bill reported to the Senate this afternoon by the Banking and Currency Committee.

At the conclusion of the discussion it was agreed that, as soon as copies of the new bill are available, they should be forwarded to the Chairmen and Governors of all Federal reserve banks for their information.

Reports of Standing Committee dated May 10, 1933, recommending approval of the following Clayton Act applications:

Mr. C. J. Chandler, for permission to serve at the same time as director of the First National Bank of Holly, Colorado, and as director and officer of the First National Bank in Wichita, Wichita, Kansas.

Mr. H. C. Blackiston, for permission to serve at the same time as director of the Merchants National Bank, Hampton, Virginia, and as director of the Irving Trust Company of New York City, New York.

Approved.

Thereupon the meeting adjourned.

Chas. Morrill
Secretary.

Approved:

A. L. Miller
Chairman, Executive Committee.