

A meeting of the Executive Committee of the Board of Governors of the Federal Reserve System was held in Washington on Monday, September 23, 1935, at 11:30 a. m.

PRESENT: Mr. Thomas, Vice Chairman
Mr. Hamlin
Mr. James
Mr. Szymczak

Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary

The Committee acted upon the following matters:

Telegram from Mr. Powell, Secretary of the Federal Reserve Bank of Minneapolis, advising of the establishment without change by that bank today of the rates of discount and purchase in its existing schedule.

Noted with unanimous approval.

Letter to Major General Merritte W. Ireland, General Chairman, Governmental Unit, Community Chest of Washington, Washington, D. C., reading as follows:

"In the absence of Governor Eccles from the city your letter of September 18, in regard to the coming Community Chest Campaign, has been brought to my attention.

"I am pleased to advise that the Board of Governors, in compliance with your request, has designated Mr. J. C. Noell, Assistant Secretary of the Board, as its representative to work with you as a Division Chairman of the Governmental Unit in the Community Chest Campaign."

Approved unanimously.

Letter to the board of directors of the "First State Bank of Libby", Libby, Montana, stating that, subject to the conditions prescribed in the letter, the Board approves the bank's application

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for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of Minneapolis.

Approved unanimously.

Telegram to Mr. Sargent, Assistant Federal Reserve Agent at the Federal Reserve Bank of San Francisco, reading as follows:

"Relet September 16, 1935. Board's approval for proposed discontinuance by 'American Trust Company', San Francisco, California, of certain of its branches not required by law or under conditions of membership applicable to the bank. It has been noted that you have considered the practical problems involved and are satisfied that the communities affected will not be seriously inconvenienced because of the closing of the branches. In view of such information and the fact that the State superintendent of banks has approved the contemplated action, Board offers no objection thereto."

Approved unanimously.

Memorandum dated September 21, 1935, from Mr. Vest, Assistant General Counsel, recommending that there be published in the next issue of the Federal Reserve Bulletin a statement, in the form attached to the memorandum, with respect to the Board's recent ruling regarding the right of a State member bank to purchase and hold obligations which are of a type falling within the general classification of securities but are not investment securities within the meaning of Section 5136 of the Revised Statutes.

Approved unanimously.

Letter to Mr. McLarin, Assistant Deputy Governor of the Federal Reserve Bank of Atlanta, reading as follows:

"Reference is made to your letter of September 14, regarding the change in method of computing net demand

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"deposits of member banks due to the enactment of the Banking Act of 1935.

"Under date of September 16, the Board advised Mr. Clark, Assistant Federal Reserve Agent, that the deduction of items in process of collection from demand deposits is optional with the member banks in view of the permissive nature of the tenth paragraph of Section 19 of the Federal Reserve Act as amended by the Banking Act of 1935.

"As you know, the Board keeps current statistics with respect to actual and required reserves of member banks and publishes in its weekly press statement of condition of Federal Reserve banks an estimate of the amount of excess reserves held by member banks with the Federal Reserve banks. In order that these estimates may be as accurate as possible reports of net demand and time deposits furnished to your bank by member banks and which your bank uses in determining required reserves should be prepared in accordance with the formula set forth in Form B-15 which you have sent to all member banks.

"The request in our telegram of September 5, 1935, TRANS 2303, that the August report on Form B-13 show the daily average of net demand deposits separately for the period August 1 to 23, inclusive, and for the period August 24 to 31, inclusive, by classes of banks, was primarily with the thought that the figures for the first 23 days of August would be comparable with figures previously submitted. It was not expected that the figures for the last 8 days of August would be reported uniformly on the new basis by all member banks, but it is hoped that the figures for the month of September will be so reported."

Approved unanimously.

There were then presented the following applications for changes in stock of Federal reserve banks:

<u>Applications for ADDITIONAL Stock:</u>	<u>Shares</u>	
<u>District No. 2.</u>		
The First National Bank of Herkimer, Herkimer, New York	90	
The Public National Bank and Trust Company of New York, New York, N. Y.	<u>60</u>	150

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Applications for ADDITIONAL Stock: (Continued)

Shares

District No. 7.

Terre Haute First National Bank

Terre Haute, Indiana

	<u>6</u>	<u>6</u>
Total		156

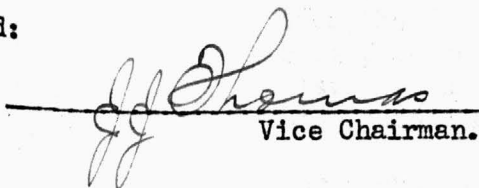
Approved unanimously.

Thereupon the meeting adjourned.



Assistant Secretary.

Approved:



Vice Chairman.