

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, January 2, 1931, at 11:30 a. m.

PRESENT: Governor Meyer
Mr. Hamlin
Mr. Miller
Mr. James
Mr. McClelland, Assistant Secretary.

Letter dated December 31st from the Comptroller of the Currency, recommending approval of a salary of \$2,400 per annum for National Bank Examiner Maurice L. Barnett, Jr., assigned to the Fifth Federal Reserve District.

Approved.

Letter dated December 31st from the Third Assistant Postmaster General, requesting that the Federal Reserve Board advise the Division of Finance of the Post Office Department of State member banks reported to the Board as having been closed.

After some discussion, upon motion, it was voted to furnish the information requested with the advice that it is forwarded to the Post Office Department without verification of the reports and without responsibility on the part of the Board for errors or omissions.

Letter dated December 22nd from the Deputy Governor of the Federal Reserve Bank of Chicago with regard to the desirability of the Federal Reserve bank purchasing tax anticipation warrants, which question was raised by the Lincoln National Bank of Lincoln, Illinois, and referred to the Federal Reserve Bank of Chicago on December 15th; the letter stating reasons why these warrants have not been purchased for several years and why it is not considered desirable for the bank to purchase them at the present time.

The letter having been previously circulated among the members of the Board, was noted.

1/2/31

The Governor then presented for the record a memorandum addressed by him to the Board under date of December 30th and reading as follows:

"In talking with Dr. Burgess this afternoon at four o'clock, he reported that the total purchases of Governments for delivery today, made yesterday and today, due to the firmness in the money market in New York in connection with the year end requirements of the banks, amounted to \$32,000,000. He stated that during the afternoon they felt the situation had been eased sufficiently to justify refusal to purchase on offerings from dealers of Government securities.

"In addition, bills were bought in the amount of \$7,000,000, of which \$2,000,000 were on repurchase agreements, and \$18,000,000 of Governments on repurchase agreements also. These figures are merely rough.

"The Bank's operations in Governments, as I have already reported to the Board verbally in recent weeks, included a purchase of \$40,000,000 par value, about, amounting to \$43,000,000 in cash value, made on one occasion from the Manufacturers Trust Company which desired to reduce its bills payable with the New York Bank, and \$5,000,000 bought on Saturday afternoon from the Public National Bank which also found itself borrowing too heavily from the Federal Reserve Bank in connection with withdrawals of deposits due to runs started in the days following the closing of the Chelsea Bank and Trust Company. The purchases from the Manufacturers Trust Company and the Public National were reported in off hours by Governor Harrison, in the case of the Manufacturers, and by Mr. Case on Saturday afternoon in connection with the Public National Bank, and I stated that I felt the Board would not object to these purchases in the light of all the circumstances attending them."

REPORTS OF STANDING COMMITTEES:

Dated, December 31st Recommending a change in the stock at a Federal Reserve Bank, as set forth in the Auxiliary Minute Book of this date.

Recommendation approved.

The meeting adjourned at 12:00 noon.

E. W. McClelland
Assistant Secretary.

Approved: [Signature]
Governor.

(Executive
Committee)

AUXILIARY MINUTES
(January 2, 1931)

Report of Standing Committee dated December 31st, recommending a
change in stock at a Federal Reserve Bank, approved as follows:

<u>Application for ORIGINAL Stock:</u>	<u>Shares</u>	
<u>District No. 9.</u>		
Northwestern National Bank, Madison, South Dakota.	38	38

E. W. McClelland
 Assistant Secretary.

Approved: *[Signature]*
 Governor.