

Upon the adjournment of the meeting of the Federal Reserve Board, a meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Board on Friday, May 8, 1931, at 11:50 a. m.

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

The Governor stated that he had communicated with Mr. Wayland W. Magee, who was appointed by the President as a member of the Federal Reserve Board on May 5th, and that Mr. Magee had advised that while he can arrange to come to Washington at once, he would prefer having about ten days' time. The Governor stated he felt it should be suggested to Mr. Magee that he arrange to be in Washington and take his oath of office on May 18th, prior to the official meeting of the Federal Advisory Council on May 19th. The other members of the Board present concurred in this opinion.

The Governor then reported that in accordance with authority granted at the meeting of the Board on December 27th, he approved yesterday a re-discount rate of 3% established by the Board of Directors of the Federal Reserve Bank of Dallas on all classes of paper of all maturities, effective today.

The Assistant Secretary then presented the following matters which were considered and acted upon by the Committee:

Letter dated May 5th from the Chairman of the Federal Reserve Bank of Dallas advising that on that date the bank's buying rate of 1 1/4% was extended to include all acceptances maturing up to 90 days.

Without objection, noted with approval.

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Matter informally noted with approval by the Executive Committee yesterday, namely, advice received from the Chairman of the Federal Reserve Bank of Dallas, in his telegram regarding the discount rate of the bank, of the establishment of a buying rate of  $1\frac{1}{8}\%$  on acceptances maturing within 1 to 30 days.

There being no objection, the informal action of the Committee was ratified.

Letter dated May 7th from the Secretary of the Federal Reserve Bank of New York confirming advice of action taken by the Board of Directors yesterday in establishing a rediscount rate of  $1\frac{1}{2}\%$  on all classes of paper of all maturities, effective today, and advising of the reduction to  $1\frac{1}{2}\%$ , also effective today, of the rate for repurchase agreements on Government securities and the buying rates of the bank on trade acceptances, and on bankers' acceptances maturing within 121 to 180 days.

There being no objection, the reductions in buying rates were noted with approval.

Telegram dated May 7th from the Chairman of the Federal Reserve Bank of San Francisco advising that at the meeting of his Board of Directors yesterday, no change was made in the rediscount rate now in effect at the bank, but that the directors had voted to reduce to  $1\frac{1}{8}\%$  the bank's minimum authorized buying rate, and to establish a rate of  $1\frac{1}{8}\%$  for purchases of bankers' acceptances maturing within 1 to 30 days.

Upon motion, the minimum authorized buying rate was approved, and, there being no objection, the other actions reported by Mr. Newton were noted with approval.

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Letter dated May 6th from the Secretary of the Federal Reserve Bank of Kansas City advising of the establishment on that date of a rate of  $1 \frac{1}{8}\%$  for purchases of bankers' acceptances maturing within 1 to 30 days.

Without objection, noted with approval.

Telegram dated May 7th from the Chairman of the Federal Reserve Bank of Kansas City advising that at the meeting of his directors on that date, no change was made in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Letter dated May 7th from the Chairman of the Federal Reserve Bank of Philadelphia advising of the considerations which prompted the action of his directors on May 6th in reducing the discount rate at that bank from  $3 \frac{1}{2}\%$  to  $3\%$ .

Noted.

Report of Committee on Salaries and Expenditures on list submitted by the Federal Reserve Bank of Minneapolis of employees for whom the directors approved leaves of absence with pay, on account of illness, during the month of April, where the total of such absences since January 1, 1931 has exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

Renewal bond in the amount of \$100,000, executed under date of April 23, 1931, by Mr. M. L. McClure, as Federal Reserve Agent at Kansas City.

Approved.



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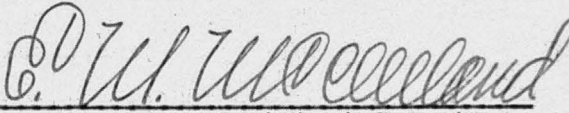
Memorandum dated May 7th from the Director of the Division of Research and Statistics recommending that an additional room be rented in the Otis Building, at the rate of \$30.00 per month, to provide additional space for files.

Approved.

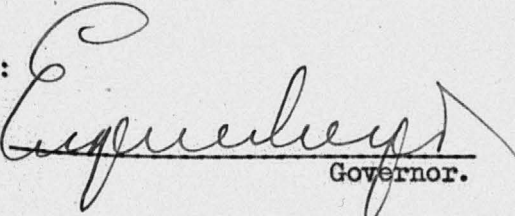
REPORTS OF STANDING COMMITTEES:

Dated, May 8th.      Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.  
   Recommendations approved.

The meeting adjourned at 12:20 p. m.

  
Assistant Secretary.

Approved:

  
Governor.

(Executive  
Committee)AUXILIARY MINUTES  
(May 8, 1931)

Reports of Standing Committee dated May 8th, recommending changes in stock at Federal Reserve Banks, approved as follows:

<u>Applications for SURRENDER of Stock:</u>	<u>Shares</u>	
<u>District No. 2.</u> Seward National Bank and Trust Co., New York, N. Y. (V.L.Suc. by Seward Bank of New York)	1,800	1,800
<u>District No. 4.</u> First National Bank, Republic, Pa. (Insolvent)	45	45
<u>District No. 6.</u> First National Bank, Fitzgerald, Ga. (Insolvent)	150	150
<u>District No. 9.</u> Home National Bank, Dell Rapids, S. Dak. (V.L.Abs. by New First National Bank in Dell Rapids)	36	36
<u>District No. 11.</u> First National Bank, Hawkins, Texas. (V.L.Abs. by First National Bank of Quitman, Texas) American National Bank, Paris, Texas. (Insolvent)	22 180	202
	<u>Total</u>	<u>2,233</u>

*E. W. Till*  
Assistant Secretary.

Approved:

*Eugene C. ...*  
Governor.