

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, May 21, 1931, at 11:15 a. m.

PRESENT: Mr. Miller, Presiding
Mr. Hamlin
Mr. James
Mr. Magee
Mr. McClelland, Assistant Secretary.

The Assistant Secretary presented the following matters which were considered and acted upon by the Committee as set out below:

Matter approved on initials by the Executive Committee yesterday; namely, telegram dated May 20th from the Chairman of the Federal Reserve Bank of Kansas City, advising that the Board of Directors on that date voted to establish a rediscount rate of 3% on all classes of paper of all maturities, effective the first business day following that upon which approved by the Federal Reserve Board.

Upon motion, the informal action of the Executive Committee in approving for the Federal Reserve Bank of Kansas City a rediscount rate of 3% on all classes of paper of all maturities, effective May 21st, was ratified.

Telegram dated May 20th from the Governor of the Federal Reserve Bank of Boston, advising that the Board of Directors, at a meeting on that date, made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Letter dated May 19th from the Secretary of the Federal Reserve Bank of Kansas City, advising of the extension of the bank's minimum effective buying rate of 1% to cover acceptances maturing within 90 days.

Without objection, noted with approval.

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Memorandum from the Assistant Secretary dated May 21st, reporting advice received from Deputy Governor Rounds of the Federal Reserve Bank of New York, that the attitude of the Board, as expressed at the meeting yesterday, regarding the plan for the absorption by the Bank of Jamestown, Jamestown, New York, of the Farmers and Mechanics Bank and the American National Bank of that city has been communicated to the Bank of Jamestown, which is willing, if required by the Board, to make a further charge off against its undivided profits account in connection with the merger to cover an additional \$190,000 of bond depreciation, although it is felt that they have been very liberal in the charge-offs proposed in the plan as submitted and if anything further is to be done at this time, would prefer to charge off \$90,000 of the remaining bond depreciation, leaving \$100,000 to be worked off later as may be necessary.

After discussion, upon motion, it was voted to approve the application of the Bank of Jamestown for permission to absorb the Farmers and Mechanics Bank and the American National Bank of that city on condition (1) that in addition to charging off estimated losses agreed to by the officers of the bank aggregating \$1,236,000, an additional \$190,000 of bond depreciation be charged against the undivided profits account of the merged bank and (2) that any recoveries on account of charged off assets be set aside in a reserve account to be applied as the state examiner shall from time to time direct.

Cablegram dated May 21st from the Austrian National Bank with further reference to the condition of the Oesterreichische Credit Anstalt fur Handel und Gewerbe, referred to in a previous cablegram dated May 11, 1931.

Upon motion, the Assistant Secretary was instructed to communicate the contents

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of the cablegram to the Governor of the
Federal Reserve Bank of New York.

REPORTS OF STANDING COMMITTEES:

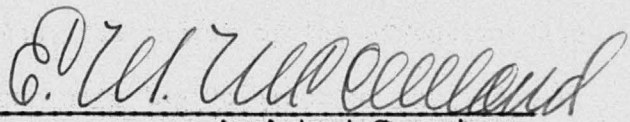
Dated, May 20th Recommending approval of the application of Mr. Anton J. Cermak, for permission to serve at the same time as a director of the Lawndale National Bank of Chicago, Ill., and as a director of the Terminal National Bank of Chicago, Illinois.

Approved.

Dated, May 20th Recommending approval of the application of Mr. J. M. Bennett, for permission to serve at the same time as a director of the National Bank of Commerce of San Antonio, Texas, as a director of the Yoakum National Bank of Yoakum, Texas, and as an officer of the Standard Trust Company of San Antonio, Texas.

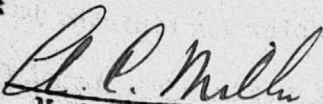
Approved.

The meeting adjourned at 11:40 a. m.



Assistant Secretary.

Approved:



Member Executive Committee.