

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, May 22, 1931, at 11:15 a. m.

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

The Assistant Secretary presented various items of business which were considered by the Committee and acted upon as follows:

Matter informally approved by the Executive Committee yesterday, on authority granted at the meeting of the Board on May 8th, namely, telegram dated May 21st from the Chairman of the Federal Reserve Bank of San Francisco, advising that the Board of Directors had voted to establish a rediscount rate of 2 1/2% on all classes of paper of all maturities, effective May 23rd. The Assistant Secretary stated that upon instructions of the members of the Executive Committee, the matter of the effective date of the new rate was taken up by telephone with the Governor of the Federal Reserve Bank of San Francisco, whose attention was called to the Board's rules and regulations which provide that announcement of rate changes shall be made immediately after the close of business on the day on which the rate change is approved and that the new rate shall be effective at the beginning of the first business day following that on which the announcement is made; that Governor Calkins advised over the telephone that the rate would be made effective on May 22nd instead of May 23rd, and that the Executive Committee had, therefore, approved the rate effective today.

Upon motion, the informal action of the Committee in approving the establishment by the Federal Reserve Bank of San Francisco of a rediscount rate of

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2 1/2% on all classes of paper of all maturities, effective May 22nd, was formally approved.

Letter dated May 21st from the Secretary of the Federal Reserve Bank of New York, advising 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.

Printed circular dated May 19th, from the Chairman of the Stockholders' Advisory Committee of the Federal Reserve Bank of Dallas, advising that the Fifth Annual Meeting of the Stockholders Association of the bank will be held in Dallas on Wednesday, June 3rd.

Noted, and referred to Mr. James for consideration of the matter of attendance at the meeting.

Memorandum from Counsel dated May 20th on letters dated May 8th and 18th from the Secretary of the Federal Reserve Bank of Atlanta, submitting a memorandum of procedure for the handling of notary fees at the bank and certain of its branches; Counsel advising that the arrangement is the same as that which has been in effect at the bank since 1926, the only material change being the use of a written contract between the bank and the notary.

Noted, and ordered filed.

Draft of reply to letter dated May 21st from the Assistant Federal Reserve Agent at New York transmitting voluntary notice of intention to withdraw from membership in the Federal Reserve System, filed by the Trust Company of Wyoming County, Warsaw, New York, with the request that the Board waive the requirement of six months' notice of intention to withdraw;

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the proposed reply stating that since there does not appear to be any unusual circumstances justifying the waiver of the usual notice, the Board, in accordance with the recommendation of the Board of Directors of the New York bank, has voted to deny the request; the proposed letter further stating that at the expiration of six months from May 12, 1931, the date upon which the notice of intention was received, the Federal Reserve bank, upon surrender of the stock held by the member bank, is authorized to make appropriate refund thereon.

Upon motion, the proposed letter was approved and ordered transmitted.

Letter dated May 20th from the Chairman of the Federal Reserve Bank of Chicago, with regard to the general banking situation in Indiana and referring particularly to the continued unsatisfactory condition of the Fletcher American National Bank of Indianapolis.

After discussion, upon motion, it was voted to refer the letter to the Comptroller of the Currency with the request that, at his convenience, he discuss the matter with the Board.

Letter dated May 19th from the Assistant Federal Reserve Agent at Chicago, with reference to the unsatisfactory condition of the American Commercial and Savings Bank of Davenport, Iowa; the Assistant Federal Reserve Agent stating that practically no adjustment has been made in criticized assets since the last examination, but that certain reorganization plans are under way, the details of which will be furnished to the Board when available.

Noted.

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REPORTS OF STANDING COMMITTEES:

Dated, May 21st 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 12:00 noon.

C. W. Cleveland

Assistant Secretary.

Approved:

A. L. Miller

Member Executive Committee.

(Executive Committee)

AUXILIARY MINUTES
(May 22, 1931)

Report of Standing Committee dated May 21, 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>		
Grape Belt National Bank, Westfield, N. Y. (Vol. Liq. Abs. by National Bank of Westfield)	36	36
<u>District No. 8.</u>		
Flora National Bank, Flora, Ill. (Vol. Liq. Abs. by First National Bank of Flora)	45	45
<u>District No. 10.</u>		
First National Bank, Ralston, Okla. (Vol. Liq. Suc. by First Commerce Bank)	18	18
	Total	99

E. W. McClelland
Assistant Secretary.

Approved:

A. C. Miller
Member Executive Committee.