

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, May 25, 1931, at 11:30 a. m.

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

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

Telegram dated May 22nd from the Chairman of the Federal Reserve Bank of Chicago, 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.

Letter dated May 19th from the Chairman of the Federal Reserve Bank of Dallas, advising of the extension of the bank's minimum effective buying rate of 1% to include bankers' acceptances maturing within 90 days, and of the establishment of a repurchase rate of 1%.

Without objection, noted with approval.

Letter dated May 22nd from the Acting Secretary of the Federal Reserve Bank of Chicago, advising of the appointment on that date of Mr. William W. Turner, formerly Chief of the Credit Department, as Manager of Loans, and requesting approval by the Board of an increase in Mr. Turner's salary from \$4,000 to \$4,500 per annum, effective June 1st.

Upon motion, the salary of \$4,500, fixed by the Chicago directors, was approved.

Letter dated May 22nd from the Assistant Federal Reserve Agent at Chicago, reporting the following national banks for continued deficiencies in

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their required reserves during a period of six months or more; the Assistant Federal Reserve Agent calling particular attention to the reserve record of the Greensburg National Bank and the First National Bank of Elliott:

- National Trust Company, Charleston, Illinois.
- Greensburg National Bank, Greensburg, Indiana.
- First National Bank, Elliott, Iowa.
- First National Bank, Lost Nation, Iowa.
- First National Bank, Northboro, Iowa.

After discussion, upon motion, draft of letter to the Comptroller of the Currency, transmitting a copy of the Assistant Federal Reserve Agent's letter and requesting that his office address a letter to the institutions referred to, calling attention to the necessity of the maintenance of required reserves, was approved and ordered transmitted.

Letters dated May 22nd and 23rd from the Federal Reserve Agent and Assistant Federal Reserve Agent at Richmond, requesting approval by the Board of the designation, as special assistants to examiners, of 30 employees of the bank and Baltimore Branch listed in the letters; the Agent stating that they will assist in the examination of the Baltimore Trust Company and its branches which is to be conducted by the Maryland Department of Examination, and, if the Board has no objection, in other special cases where their services may be needed.

After discussion, upon motion, it was voted to request Mr. Hoxton to come to Washington to discuss with the Board the matter of participation in State examinations of member banks.

Letter dated May 19th from the Federal Reserve Agent at Dallas with regard to the application of the First National Bank of Gainesville, Texas, for permission to accept drafts and bills of exchange up to 100% of its

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capital and surplus; the Federal Reserve Agent advising that in the judgment of the Executive Committee of the Federal Reserve Bank, the condition of the applicant is not such as to justify a favorable recommendation on the application and that until the new management has demonstrated its ability to greatly improve the bank's condition, it should not be granted acceptance powers.

Upon motion, draft of a letter to the Federal Reserve Agent, advising that in accordance with the action of his Executive Committee the Federal Reserve Board has deferred approval of the application, was approved.

Letter dated May 19th from the Chairman of the Federal Reserve Bank of Philadelphia, expressing his views with regard to assessing progressive penalties on deficient reserves of member banks.

The letter, having been previously circulated among the members of the Board, was referred to the Committee on Reserves.

Letter dated May 23rd from the Federal Reserve Agent at Chicago, advising of the passage by the Wisconsin legislature of a bill changing the conduct of the State Banking Department, which is succeeded by a commission of three members having supervision not only over banks and building and loan associations, but also credit agencies including finance companies, securities companies, and holding companies which may own banks.

Ordered circulated.

Report of Committee on District No. 8, recommending the appointment of Mr. Charles H. Murphy, President of the Sipsey Valley Lumber Company, El Dorado, Arkansas, as a director of the Little Rock Branch of the Federal Reserve Bank of St. Louis for the unexpired portion of the term ending December 31, 1933, to succeed Mr. Hamp Williams, deceased.

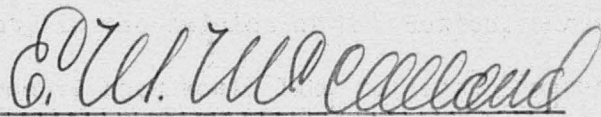
(Executive
Committee)

AUXILIARY MINUTES

(May 25, 1931.)

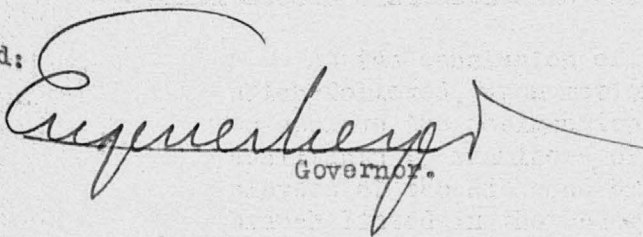
Reports of Standing Committee dated May 22 and 25, recommending changes in stock at Federal Reserve Banks, approved as follows:

<u>Applications for ADDITIONAL Stock:</u>	<u>Shares:</u>	
<u>District No. 7.</u>		
Burlington National Bank, Burlington, Wis.	6	6
<u>District No. 10.</u>		
McCook National Bank, McCook, Nebr.	3	3
	Total	9
<u>Applications for SURRENDER of Stock:</u>		
<u>District No. 5.</u>		
National Bank of Kinston, N. C. (Insolvent)	162	162
<u>District No. 8.</u>		
Irving National Bank, Irving, Ill. (Vol. Liq. Abs. by Hillsboro National Bank, Hillsboro, Ill.)	20	
First State Bank, Palmyra, Ill. (Insolvent)	30	50
<u>District No. 11.</u>		
Anson State Bank, Anson, Texas. (Vol. Liq. Abs. by First National Bank, Anson, Tex.)	48	48
<u>District No. 12.</u>		
First National Bank, Redmond, Ore. (Insolvent)	18	18
	Total	278



Assistant Secretary.

Approved:



Governor.