

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, June 4, 1931, at 11:30 a. m.

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

The Governor stated that in accordance with the suggestion made at the meeting on June 2nd, he discussed with the Undersecretary of the Treasury the matter of the separate publication in the body of the weekly Federal Reserve bank statement, under the caption: "Special Treasury Certificates", of the special one-day certificates issued to Federal Reserve banks by the Treasury Department to cover overdrafts at quarterly tax payment dates, and that Undersecretary Mills had advised him that the Treasury Department would have no objection to the proposed classification and that he thought it would be a desirable change.

After some discussion, upon motion,  
the proposed change was approved.

The Governor also reported that, as requested at the meeting on April 29th, he has discussed with Undersecretary Mills the matter of appointment by the Federal Reserve Board of a representative of its Division of Research and Statistics to serve, along with a representative of the Treasury Department, as a member of the Federal Statistics Board which is to be organized under the direction of the Bureau of the Budget. He stated that he advised Undersecretary Mills that it was the feeling of the Board that it should not participate in the proposed activity and that the Undersecretary believes that the Board's position is correct.

A general discussion followed, during which Mr. Wyatt, the Board's Counsel, was called into the meeting and he was instructed to collaborate with the Director of the

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Division of Research and Statistics in  
the preparation of a letter to the  
Undersecretary of the Treasury.

Mr. Wyatt then left the meeting.

The Assistant Secretary then presented a telegram dated June 3rd from the Chairman of the Federal Reserve Bank of Boston, 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.

The Assistant Secretary also presented letter dated June 3rd from the Chairman of the First Federal Foreign Banking Corporation, referring to the impairment in capital and other matters disclosed in the recent examination of the corporation and reported to the Board by the Examiner in Charge in his memorandum of June 2nd; the letter stating that the matters will be considered at the meeting of the Board of Directors scheduled for June 9th, following which the action of the directors will be promptly communicated to the Federal Reserve Board.

Noted.

The Governor then presented draft of reply to letter addressed to him by the Secretary of Commerce under date of May 21st advising of a proposed change in the form of the Survey of Current Business, published by the Department; stating that it has occurred to the Department that the most satisfactory method for presenting authoritative statements on business conditions in the different Federal Reserve districts would be to use in the new Survey official reports from each of the several Federal Reserve banks; and suggesting that if this plan meets with the approval of the Board, the

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Department would appreciate having a statement not exceeding 50 words, describing business conditions in each Federal Reserve district, in its hands by the 23rd of each month. The proposed reply advised, for reasons stated, that it is believed the plan would prove to be impracticable in actual operation and the members of the Board feel that it is preferable for the business reporting service of the Federal Reserve System to continue not to be connected with those of the different executive departments of the Government.

After some discussion, the letter was amended and approved.

Reference was then made to the list submitted by the Federal Reserve Bank of New York, ordered circulated at the meeting on June 2nd, of employees of that bank who were granted leaves of absence with pay on account of illness, during the month of May where the total of such absences since January 1, 1931 has exceeded thirty days, and attention was called to the fact that in several instances, employees who have been with the bank a comparatively short time have, since January 1, 1931, been granted leaves of absence with pay ranging from 93 to 120 days in excess of the usual 30 days.

The Assistant Secretary was instructed to prepare a letter to the Governor of the bank requesting information regarding the cases referred to.

The Governor then brought up for consideration the matter which was referred to him at the meeting on April 11th for discussion with Governor Geery, namely, action of the Executive Committee of the Federal Reserve Bank of Minneapolis in voting, subject to the approval of the Board, to pay Mrs. Gray Warren, widow of the former cashier of the bank who died on June 21, 1930, the balance of Mr. Warren's salary for the year; the payment having been made without formal submission to the Board. The Governor referred to the statement made by Governor Young while in Washington attending the recent Conference of Governors that the action of the Executive Committee

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of the Minneapolis bank had been reported to him, as Governor of the Board, when he was in Michigan on a vacation last summer, but that he had overlooked submitting it to the Board. It was the consensus of opinion of the members present that in view of the fact that the action was taken by the Minneapolis bank with the knowledge of the then Governor of the Board, the Governor not objecting and not reporting the matter to the Board, the bank might be justified in having drawn the conclusion that its action was not disapproved by the Board. It was also felt that the Board could not usefully reopen the matter at this time, the important thing being to safeguard against a repetition of such an occurrence in the future, which has been accomplished by the action of the Board on June 2 in ruling that hereafter in the event of the death of an officer or employee of a Federal Reserve bank, the salary of such officer or employee should be paid only up to the next succeeding pay day.

Reference was then made to the various matters on the docket of unfinished business, including the letter received from Mr. Charles E. Mitchell, of the National City Bank of New York, replying to the Board's letter of March 29, 1929, with regard to Mr. Mitchell's public statement on March 27, 1929; the letter having been held, at the meeting on April 2, 1929, for future consideration.

Upon motion, the letter was ordered passed to the files.

REPORTS OF STANDING COMMITTEES:

Dated, June 3rd Recommending a change in stock at a Federal Reserve bank, as set forth in the Auxiliary Minute Book of this date.  
Recommendation approved.

The meeting adjourned at 12:45 p. m.

Approved:

*W. H. C. [Signature]*  
Governor.

*E. W. [Signature]*  
Assistant Secretary.

(Executive  
Committee)

AUXILIARY MINUTES  
(June 4, 1931.)

Report of Standing Committee dated June 3, recommending a change in  
stock at a Federal Reserve Bank, approved as follows:

<u>Application for SURRENDER of Stock:</u>	<u>Shares:</u>	
<u>District No. 9.</u>		
First National Bank, Brandt, South Dakota	18	18
(Insolvent)		

*E. W. Willard*

Assistant Secretary.

Approved:

*Eugene Herbert*  
Governor.