

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, October 2, 1931, at 12:00 o'clock noon.

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

ALSO PRESENT: Mr. Harrison, Assistant to the Governor.

The Governor submitted a cablegram dated October 1st from the Banco Central de Bolivia requesting that a representative of the Federal Reserve System attend a conference of representatives of the central banks of Bolivia, Colombia, Ecuador, Chile and Peru, which has been called for the near future; the cablegram stating that the attendance of such a representative will be a practical demonstration of bank cooperation as well as mutually helpful, and that it has been suggested by one central bank that if some representative from the United States cannot attend it would be better to call off the conference. The Governor stated he has discussed the matter referred to with Governor Harrison of the Federal Reserve Bank of New York who stated that the New York bank is inclined to request Prof. E. W. Kemmerer to represent the Federal Reserve bank at the conference.

After a brief discussion, action on the matter was deferred.

The Governor then reported that the Central Bank of Colombia, which thus far has been successful in its efforts to maintain the gold standard, in anticipation of the marketing in about 90 days of the Colombian coffee crop, which will involve between \$15,000,000 and \$18,000,000 of exchange, has now approached the Federal Reserve Bank of New York for assistance in the form of a credit of \$10,000,000. The Governor stated that the matter is still in the

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preliminary stages and that no decision has been reached.

The Governor then presented a letter dated October 1st from Deputy Governor Crane of the Federal Reserve Bank of New York stating that on September 25th, advice was received from the Banco Central de Reserva del Peru that it had instructed two New York City banks to deliver a total of \$1,500,000 to the Federal Reserve Bank of New York to be placed to the credit of the central bank in an account which it requested be opened on the books of the New York bank; that these funds were received on September 26th following which, at the request of the central bank, they were converted into gold and earmarked. The letter further stated that the request of the Banco Central de Reserva del Peru was presented at the meeting of the Board of Directors on October 1st and the officers of the New York bank were authorized, subject to the approval of the Federal Reserve Board, to open an account for the Banco Central de Reserva del Peru, to arrange for the establishment of relations with that bank along the general lines of arrangements with other foreign central banks, and to appoint the bank agent and correspondent of the New York bank in the City of Lima, Peru, where its headquarters are situated. A brief discussion followed during which it was the consensus of opinion that the same general considerations are involved in this case as in the recent request of the Bank von Danzig for an account at the New York bank, and that there is little likelihood that the New York bank will, under present conditions, require the services of an agent and correspondent in Peru.

At the conclusion of the discussion it was voted to approve of the Federal Reserve Bank of New York opening and maintaining a one-way account on its books for

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the Banco Central de Reserva del Peru for the purpose of carrying out operations in this market for the Banco Central de Reserva del Peru along the same general lines and subject to the same terms and conditions as they are handled for other foreign central banks having accounts with the Federal Reserve Bank of New York.

The Assistant Secretary stated that rather heavy demands are being made on the Federal Reserve Bank of New York by member banks for gold certificates, and that at the request of the bank the Treasury Department has been asked and has agreed to increase the Treasurer's stocks of certificates in certain denominations.

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

Letter dated October 1st from the Secretary of the Federal Reserve Bank of New York and telegram dated October 1st from the Chairman of the Federal Reserve Bank of San Francisco, both advising that at meetings of their Boards of Directors on that date, no changes were made in the bank's existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Draft of letter to the Governors and Federal Reserve Agents of all Federal Reserve banks advising of the appointment of Mr. Chester Morrill as Secretary of the Federal Reserve Board.

Upon motion, the proposed letter was approved.

Report of Committee on Salaries and Expenditures on list submitted by the Federal Reserve Bank of Chicago of employees for whom the directors approved leaves of absence with pay, on account of illness, during the period from August 28th to September 24th where the total of such absences

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since January 1, 1931 has exceeded thirty days; the Board's Committee recommending approval.

Approved.

Letter dated September 29th from the Chairman of the Federal Reserve Bank of Dallas transmitting copy of the minutes of the special meeting of the Board of Directors of the Dallas bank held on September 26th in connection with the resignation of Mr. Lynn P. Talley as Governor of the bank, effective on that date, and the election of his successor.

Ordered circulated.

Letter dated September 28th from the Federal Reserve Agent at the Federal Reserve Bank of San Francisco, advising that on September 23rd, because of conditions existing in the district, \$10,000,000 of unissued Federal Reserve notes were placed in the vaults of the Salt Lake City Branch in the custody of the Federal Reserve Agent and an officer of the San Francisco bank without a resolution of the Board of Directors of the bank authorizing such action; that it is not practicable to carry large supplies of issued notes at the branches and in all probability a similar custody will be set up at the Portland Branch; and that the necessary resolutions authorizing the custodies would be presented and adopted by the directors of the bank at their meeting on October 1st.

Noted.

The Governor then stated that he communicated with Mr. Robert Maddox, Chairman of the Resolutions Committee of the American Bankers Association Convention, and, although discussing the general situation briefly, advised that the Board had no definite suggestions to make with regard to possible resolutions which might be presented at the convention meetings.

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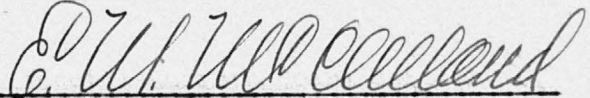
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The Governor also reported that he attempted yesterday to communicate with the Governor of the Federal Reserve Bank of Atlanta by telephone with regard to the Board's position as expressed at the meeting on September 30th in connection with eligibility for rediscount of acceptances drawn by Anderson, Clayton and Company and secured by warehouse receipts issued by a subsidiary of that company. The Governor stated that Governor Black is out of the city at the present time but that he will take the matter up with him upon his return.

The Assistant Secretary then presented a telegram just received from the Chairman of the Federal Reserve Bank of Dallas, advising that as of October 5th, Mr. B. A. McKinney has been appointed Governor of the bank and that, subject to the approval of the Federal Reserve Board, his salary has been fixed at \$30,000 per annum.

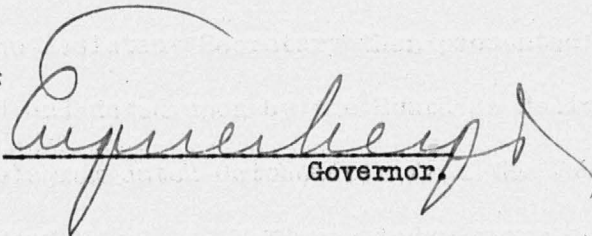
Upon motion, it was voted to approve the salary fixed by the directors of the Dallas bank for Governor McKinney.

The meeting adjourned at 12:45 p. m.



Assistant Secretary.

Approved:



Governor.