

Upon adjournment of the meeting of the Federal Reserve Board, a meeting of the Executive Committee of the Board was held in the office of the Federal Reserve Board on Friday, October 9, 1931, at 12:05 p. m.

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

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

The Assistant Secretary presented a telegram just received from the Chairman of the Federal Reserve Bank of Cleveland, advising that the Board of Directors today voted to establish a rediscount rate of 3% on all classes of paper of all maturities, effective the first business day following that on which approved by the Federal Reserve Board.

In accordance with the authority granted to the Executive Committee, it was, upon motion, voted to approve the rate of 3% established by the Cleveland directors, effective October 10, 1931.

The Assistant Secretary presented the following communications and reports which were considered and acted upon by the Committee:

Letter dated October 8th from the Secretary of the Federal Reserve Bank of New York confirming the advice received by the Board yesterday of the action taken by the Board of Directors in increasing the discount rate of the bank to 2 1/2%; the letter also advising that in accordance with the usual custom the rates on trade bills and on Government securities under repurchase agreements were raised to the discount rate, no change being made in the effective schedule of buying rates on bankers' acceptances.

There being no objection, the latter actions of the New York directors were noted with approval.

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Telegrams dated October 7th from the Chairmen of the Federal Reserve Banks of Boston and Dallas and October 8th from the Chairman of the Federal Reserve Bank of Richmond, all advising that at meetings of their Boards of Directors on the dates stated, no changes were made in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Reports of Committee on Salaries and Expenditures on lists submitted by the Federal Reserve Banks of Richmond and Dallas of employees for whom the directors authorized leaves of absence with pay, on account of illness, during the month of September where the total of such absences since January 1, 1931 has exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

Letter dated October 6th from the Federal Reserve Agent at Kansas City, advising that it is his intention to conduct a credit investigation in connection with the state examination of the Commerce Trust Company of Kansas City which is to begin October 10th, and requesting that the Board approve, for this purpose, the temporary designation as assistant examiners of 30 employees of the Kansas City bank listed in his letter.

Upon motion, it was voted to approve the designation of the employees listed as special assistants to examiners for the purpose referred to.

Telegram dated October 7th from the Governor of the Federal Reserve Bank of New York, quoting a public statement made by him on that date with regard to the organization of the credit corporation which the President of the United States has requested American bankers to form for the purpose of

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rediscounting for banks assets not now eligible for rediscount at Federal Reserve banks.

Noted.

REPORTS OF STANDING COMMITTEES:

Dated, October 9th Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.

Dated, October 7th Recommending approval of the application of Mr. Fred A. Geier, for permission to serve at the same time as director of the Lincoln National Bank of Cincinnati, Ohio, as director of the Central Trust Company of Cincinnati, Ohio, and as director of the Cincinnati Morris Plan Bank of Cincinnati, Ohio.
Approved.

The meeting adjourned at 12:30 p. m.

Oliver Morley
Secretary.

Approved:

Raymond T. Magee
Chairman, Executive Committee.

(Executive
Committee)AUXILIARY MINUTES
(October 9, 1931)

Reports of Standing Committee dated October 9th, 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>			
Bank of Europe Trust Co., New York, N. Y. (Insolvent)		900	
Globe Bank and Trust Co., Brooklyn, New York, N. Y. (Insolvent)		<u>1,440</u>	2,340
<u>District No. 4.</u>			
Union Savings & Trust Co., Warren, Ohio. (Insolvent)		540	
National Bank of Defiance, Ohio. (Insolvent)		<u>120</u>	660
<u>District No. 5.</u>			
Broadway Bank & Trust Co., Richmond, Va. (Insolvent)		198	198
<u>District No. 7.</u>			
First National Bank, Merrill, Iowa. (Insolvent)		30	
Inkster National Bank, Inkster, Mich. (Insolvent)		<u>18</u>	48
		<u>Total</u>	<u>3,246</u>

Olester Mouill
Secretary.

Approved:

Raymond T. Magee
Chairman, Executive Committee.