

UNITED STATES GOVERNMENTEXECUTIVE OFFICERS

President	-	Herbert Clark Hoover (elected Nov. 1928, inaugurated March 4, 1929)
Secretary of Treasury	-	Andrew W. Mellon (appointed March 4, 1921, served until Feb. 12, 1932)
Comptroller of Currency	-	J. W. Pole (date of appointment Nov. 21, 1928, resigned Sept. 20, 1932)
Secretary of State	-	Henry L. Stimson
Secretary of War	-	Patrick J. Hurley
Secretary of Navy	-	Charles F. Adams
Secretary of Interior	-	Ray L. Wilbur
Secretary of Agriculture	-	Arthur M. Hyde
Secretary of Commerce	-	Robert P. Lamont
Secretary of Labor	-	William N. Doak
Postmaster General	-	Walter F. Brown
Attorney General	-	William D. Mitchell

1930
December

U. S. G O V E R N M E N T

S E N A T E

Banking and Currency Committee

71st Congress

Republicans

NORBECK, Peter
PHIPPS, Lawrence C.
BROOKHART, Smith W.
GOLDSBOROUGH, Phillips Lee
TOWNSEND Jr., John G.
WALCOTT, Frederic C.
BLAINE, John J.
BAIRD, Jr., David
GRUNDY, Joseph R.
ROBSON, John M.

South Dakota
Colorado
Iowa
Maryland
Delaware
Connecticut
Wisconsin
New Jersey
Pennsylvania
Kentucky

Democrats

FLETCHER, Duncan U.
GLASS, Carter
WAGNER, Robert F.
BARKLEY, Alben W.
CONNALLY, Tom
BRATTON, Sam G.
BROCK, William E.

Florida
Virginia
New York
Kentucky
Texas
New Mexico
Tennessee

1930
December

U. S. G O V E R N M E N T

HOUSE OF REPRESENTATIVES

Banking and Currency Committee

71st Congress

Republicans

McFADDEN, Louis T.
STRONG, James G.
LUCE, Robert
FENN, E. Hart
CAMPBELL, Guy E.
BEEDY, Carroll L.
HOOPER, Joseph L.
GOODWIN, Godfrey G.
LETTTS, F. Dickinson
FORT, Franklin W.
GOLDER, Benjamin M.
SEIBERLING, Francis
PRATT, Ruth
DUNBAR, James W.

Pennsylvania
Kansas
Massachusetts
Connecticut
Pennsylvania
Maine
Michigan
Minnesota
Iowa
New Jersey
Pennsylvania
Ohio
New York
Indiana

Democrats

STEAGALL, Henry B.
BRAND, Charles H.
STEVENSON, William F.
GOLDSBOROUGH, T. Alan
PRALL, Anning S.
BUSBY, Jeff

Alabama
Georgia
South Carolina
Maryland
New York
Mississippi

FEDERAL RESERVE BOARDEx Officio Members

A. W. Mellon,
 Secretary of the Treasury
 Chairman

J. W. Pole,
 Comptroller of the Currency

Roy A. Young, Governor, (res. Sept. 1)
 Eugene Meyer, Governor (Sept. 16)
 Edmund Platt, Vice Governor, (Sept. 15
 resigned)

Adolph C. Miller
 Charles S. Hamlin
 George R. James
 Edward H. Cunningham (died Nov. 28)

Secretary's Office

Walter L. Eddy, Secretary
 E. M. Mc Clelland, Asst. Sec.
 J. C. Noell, Asst. Sec.

Counsel's Office

Walter Wyatt, General Counsel

Fiscal Agent

W. M. Imlay, Fiscal Agent

Division of Research and Statistics

E. A. Goldenweiser, Director
 Carl E. Parry, Asst. Director

Division of Examination

_____, Chief
 and Federal Reserve
 Examiner

Division of Bank Operations

E. L. Smead, Chief

FEDERAL RESERVE SYSTEM
FEDERAL ADVISORY COUNCIL

District No. 1 (Boston)	Herbert K. Hallett
District No. 2 (New York)	Wm. C. Potter
District No. 3 (Philadelphia)	*L. L. Rue (resigned) *Howard A. Loeb
District No. 4 (Cleveland)	Harris Creech
District No. 5 (Richmond)	John Poole
District No. 6 (Atlanta)	J. P. Butler, Jr.
District No. 7 (Chicago)	*Frank O. Wetmore (died 8/26/30) *Melvin A. Traylor
District No. 8 (St. Louis)	W. W. Smith, Vice President
District No. 9 (Minneapolis)	Geo. H. Prince
District No. 10 (Kansas City)	W. S. McLucas
District No. 11 (Dallas)	B. A. McKinney, President
District No. 12 (San Francisco)	F. L. Lipman

Walter Lichtenstein, Secretary

(over)

NOTE:- The above list is correct as of December 31, 1930. In the earlier part of the year M. F. O. Wetmore was president of the council and representative of the seventh Federal reserve district, but he died on Aug. 26, 1930, and this necessitated changes. Before Mr. Wetmore's death Mr. McKinney was vice president of the council, and the executive committee was composed of Messrs. F. O. Wetmore, B. A. McKinney, W. C. Potter, L. L. Rue, Harris Creech, and W. W. Smith. Another change was due to the fact that Mr. Rue, representative of the third Federal reserve district, resigned during the year and his place was taken by Mr. Loeb.

~~1930~~ (to March 25)

FEDERAL RESERVE SYSTEM

OPEN MARKET INVESTMENT COMMITTEE

Composed of five Governors of Federal Reserve Banks:

Boston -	W. P. G. Harding
New York -	George L. Harrison
Philadelphia -	George W. Norris
Cleveland -	E. R. Fancher
Chicago -	J. B. McDougal

1930 (March 25 -)

FEDERAL RESERVE SYSTEM

OPEN MARKET POLICY CONFERENCE

Composed of 12 Governors of Federal Reserve Banks:

- | | | | |
|-------------------|---------------------------|---------------------|--------------------|
| * 1. Boston - | W. P. G. Harding (d.Ap.7) | 7. Chicago - | J. B. McDougal |
| 2. New York - | G. L. Harrison | 8. St. Louis - | William Mc. Martin |
| 3. Philadelphia - | George W. Norris | 9. Minneapolis - | W. B. Geery |
| 4. Cleveland - | E. R. Fancher | 10. Kansas City - | W. J. Bailey |
| 5. Richmond - | George J. Seay | 11. Dallas - | Lynn P. Talley |
| 6. Atlanta - | Eugene R. Black | 12. San Francisco - | John U. Calkins |

* Succeeded by Roy A. Young, Sept. 2, 1930

1930

Federal Reserve Bank of Boston (Dist. 1)

OFFICERS

Governor	-	W. P. G. Harding (died April 7) R. A. Young (effective September 2)
Deputy Governor	-	W. W. Paddock
Chairman and Federal Reserve Agent	-	Frederic H. Curtiss
Deputy Chairman	-	Allen Hollis

Federal Reserve Bank of Boston (Dist. 1)

DIRECTORSClass ATerm Expires
Dec. 31

RIPLEY, Alfred L. (Boston, Mass.)	1929 (re-elected)*
KENNARD, Edward S. (Rumford, Me.)	1930
CHAMBERLAIN, Frederick S. (New Britain, Conn.)	1931

Class B

ALLEN, Phillip R. (East Walpole, Mass.)	1929 (re-elected)*
BEMIS, A. F. (Boston, Mass.)	1930
BOWMAN, Albert C. (Springfield, Vt.)	1931

Class C

CURTISS, Frederic H. (Boston, Mass.) Chairman and Federal Agt.	1929 (re-elected)*
HOLLIS, Allen (Concord, N.H.) Deputy Chairman	1930
MANCHESTER, Chas. H. (Providence, R.I.)	1931

* for a period of three years, starting 1/1/30
 footnote, 'Annual Report of Board', 1929. Page 238

OFFICERS

Governor	-	G. L. Harrison	
Deputy Governors	-	W. R. Burgess	Walter S. Logan
		J. E. Crane	L. R. Rounds
		A. W. Gilbert	L. F. Sailer
		E. R. Kenzel	
Chairman and Federal Reserve Agent	-	Gates W. Mc Garrah (resigned Feb. 27)	J. Herbert Case (succeeded Mc Garrah)
Deputy Chairman	-	Owen D. Young	

1930

Federal Reserve Bank of NEW YORK (Dist. 2)DIRECTORS

<u>CLASS A</u>	<u>Term Began</u>	<u>Dec. 31</u> <u>Term Ended</u>
RUNKLE, Delmer (Hoosick Falls)	1/1/28	1930
MITCHELL, Charles E. (New York)	1/1/29	1931
STEPHENS, Thomas W. (Montclair)	1/1/30	1932 (elected)
<u>CLASS B</u>		
REYBURN, Samuel W. (New York)	1/1/28	1930
WOODIN, William H. (New York)	1/1/29	1931
WHITMARSH, Theodore F. (New York)	1/1/30	1932 (reelected)
<u>CLASS C</u>		
WOOLLEY, Clarence M. (Greenwich)	1/1/28	1930
* MCGARRAH, Gates W. (New York)	1/1/29	1931 (resigned 2/27/30) (Chairman)
YOUNG, Owen D. (New York)	1/1/30	1932 (reappointed) (Deputy Chairman)
CASE, J. Herbert (Plainfield)	2/27/30	1931 (Chairman)

Federal Reserve Bank of Philadelphia (Dist. 3)

OFFICERS

Governor	-	George W. Norris
Deputy Governor	-	William H. Hutt
Chairman and Federal Reserve Agent	-	R. L. Austin
Deputy Chairman	-	Alba Johnson

Federal Reserve Bank of Philadelphia (Dist. 3)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
WAYNE, Jos.(Jr.) (Philadelphia, Pa.)	1929 (re-elected) *
REILY, Geo. W. (Harrisburg, Pa.)	1930
COSGROVE, John C.(Hastings, Pa.)	1931
 <u>Class B</u>	
SEWALL, Arthur W. (Philadelphia, Pa.)	1929 (re-elected)*
DORRANCE, A. C. (Camden, N. J.)	1930
STOUT, C. F. C. (Philadelphia, Pa.)	1931
 <u>Class C</u>	
AUSTIN, R. L. (Philadelphia, Pa.) Chairman and FR Agent	1929 (re-elected)*
JOHNSON, Alba B. (Philadelphia, Pa.) Deputy Chairman	1930
CANNON, H. L. (Bridgeville, Del.)	1931

**In a period of three years, starting 1/1/30
footnote, 'Annual Report, of Board', 1929, Page 238*

OFFICERS

Governor	-	E. R. Fancher
Deputy Governors	-	M. J. Fleming Frank J. Zurlinden
Chairman and Federal Reserve Agent	-	George DeCamp
Deputy Chairman	-	L. B. Williams

Federal Reserve Bank of Cleveland (Dist. 4)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
WARDROP, Robert (Pittsburgh, Pa.)	1929 (re-elected) *
SAMS, O.N. (Hillsboro, Ohio)	1930
LAMBERTON, Chess (Franklin, Pa.)	1931
 <u>Class B</u>	
CRABBS, Geo D. (Cincinnati, Ohio)	1929 (re-elected) *
BUSH, S. P. (Columbus, Ohio)	1930
WRIGHT, R. P. (Erie, Pa.)	1931
 <u>Class C</u>	
DeCAMP, George (Cleveland, Ohio) Chairman and FR Agent	1929 (re-appointed)*
KNIGHT, W. W. (Toledo, Ohio)	1930
WILLIAMS, L. B. (Cleveland, Ohio) Deputy Chairman	1931

* For a period of three years starting 1/1/30
footnote, Annual Report of Board, 1929, Page 238

OFFICERS

Governor	-	George J. Seay
Deputy Governors	-	C. A. Peple R. H. Broaddus
Chairman and Federal Reserve Agent	-	William W. Hoxton
Deputy Chairman	-	Frederic A. Delano

Federal Reserve Bank of Richmond (Dist. 5)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
JOHNSON, L. E. (Alderson, W.Va.)	1929 (re-elected)*
RIEMAN, Chas. E. (Baltimore, Md.)	1930
BRASWELL, Jas. C. (Rocky Mount, N.C.)	1931
<u>Class B</u>	
COKER, D. R. (Hartsville, S.C.)	1929 (re-elected)*
FISHBURN, J. P. (Roanoke, Va.)	1930
GRAHAM, Edwin C. (Washington, D.C.)	1931
<u>Class C</u>	
HOXTON, Wm. W. (Richmond, Va.) Chairman and FR Agent	1929 (re-appointed)*
DELANO, Frederic A. (Washington, D. C.) Deputy Chairman	1930
LASSITER, Robert (Charlotte, N.C.)	1931

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*a three yr. term beginning 1/1/30
footnote, Annual Report of Board, 1929, Page 238*

Federal Reserve Bank of Atlanta (Dist. 6)

OFFICERS

Governor	-	Eugene R. Black
Deputy Governors	-	Hugh Foster Creed Taylor
Chairman and Federal Reserve Agent	-	Oscar Newton
Deputy Chairman	-	W. H. Kettig

Federal Reserve Bank of Atlanta (Dist. 6)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
WARE, G. G. (Leesburg, Fla.)	1929 (re-elected) *
YOUNG, H. Lane (Atlanta, Ga.)	1930
MELVIN, E.C. (Selma, Ala.)	1931
 <u>Class B</u>	
SIMON, Leon C. (New Orleans, La.)	1929 (re-elected) *
McCRARY, J. A. (Decatur, Ga.)	1930
LEA, Luke (Nashville, Tenn.)	1931
 <u>Class C</u>	
NEWTON, Oscar (Atlanta, Ga.) Chairman and FR Agent	1929 (re-appointed) *
HARRIS, Geo. S. (Atlanta, Ga.)	1930
KETTIG, W. H. (Birmingham, Ala.) Deputy Chairman	1931

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*For a three yr. term starting 1/1/30.
footnote, Annual Report of Board, 1929, Page 238*

Federal Reserve Bank of Chicago (Dist. 7)

OFFICERS

Governor	-	J. B. Mc Dougal
Deputy Governors	-	C. R. McKay John H. Blair
Chairman and Federal Reserve Agent	-	William A. Heath
Deputy Chairman	-	James Simpson

Federal Reserve Bank of Chicago (Dist. 7)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
SCHALLER, George J. (Storm Lake, Iowa)	1929 (elected) *
REYNOLDS, George M. (Chicago, Ill.)	1930
ESTBERG, Edward R. (Waukesha, Wis.)	1931
 <u>Class B</u>	
FEUSTEL, Robert M. (Decatur, Ill.)	1929 (elected) *
CRAPO, S. T. (Detroit, Mich.)	1931
BABB, Max W. (Milwaukee, Wis.)	1930
 <u>Class C</u>	
SIMPSON, James (Chicago, Ill.) Deputy Chairman	1929 (re-appointed) *
HEATH, W. A. (Chicago, Ill.) Chairman and FR Agent	1930
BALL, F. C. (Muncie, Ind.)	1931

* For a three year term starting 1/1/30

See footnote, Annual Report of Board, 1929, Pg.238

OFFICERS

Governor	-	William Mc C. Martin
Deputy Governor	-	O. M. Attebery
Chairman and Federal Reserve Agent	-	Rolla Wells (resigned in May) John S. Wood (succeeded Mr. Wells)
Deputy Chairman	-	John W. Boehne

Federal Reserve Bank of St. Louis (Dist. 8)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
LONSDALE, John G. (St. Louis, Mo.)	1929 (re-elected) *
NAHM, Max B. (Bowling, Green, Ky.)	1930
MARTIN, John C. (Salem, Ill.)	1931
 <u>Class B</u>	
vacancy	
HARRIS, J. W. (St. Louis, Mo.)	1930
PLUNKETT, W. B. (Little Rock, Ark.)	1931
 <u>Class C</u>	
BOEHNE, John W. (Evansville, Ind.) Deputy Chairman	1929 (re-appointed) *
*WELLS, Rolla (St. Louis, Mo.) Chairman and FR Agent	1930 (res. in May)
DILLARD, Paul (Memphis, Tenn.)	1931
*WOOD, John S. (St. Louis, Mo.) Chairman and FR Agent	1930 (appointed in May)

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*For a three yr. term starting 1/1/30.
See footnote, 'Annual Report of Board,' 1929, Page 238*

OFFICERS

Governor	-	W. B. Geery
Deputy Governors	-	Harry Yaeger H. I. Ziemer
Chairman and Federal Reserve Agent	-	John R. Mitchell
Deputy Chairman	-	Homer P. Clark

Federal Reserve Bank of Minneapolis (Dist. 9)

DIRECTORS

<u>Class A</u>	Term Expires <u>Dec. 31</u>
BASSETT, J. C. (Aberdeen, S. Dak.)	1929 (re-elected)*
FARUP, Karl J. (Park River, N. Dak.)	1930
LEEMAN, Paul J. (Minneapolis, Minn.)	1931
 <u>Class B</u>	
HOLTER, N. B. (Helena, Mont.)	1929 (re-elected)*
OWEN, John S. (Eau Claire, Wis.)	1930
vacancy	1931
 <u>Class C</u>	
MITCHELL, John R. (Minneapolis, Minn.) Chairman and FR Agent	1929 (re-appointed)*
CLARK, Homer P. (St. Paul, Minn.) Deputy Chairman	1930
Mc CORMICK, Geo. W. (Menominee, Mich.)	1931

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*In a three year term starting 1/1/30
fortunate, Annual Report of Board, 1929 Page 238*

1930

Federal Reserve Bank of Kansas City (Dist. 10)

OFFICERS

Governor	-	W. J. Bailey
Deputy Governors	-	C. A. Worthington J. W. Helm
Chairman and Federal Reserve Agent	-	M. L. Mc Clure
Deputy Chairman	-	William L. Petrikin

Federal Reserve Bank of Kansas City (Dist. 10)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
MULLANEY, E. E. (Hill City, Kans.)	1929 (re-elected) *
PARKS, C. C. (Denver, Colo.)	1930
SPONABLE, Frank W. (Paola, Kans.)	1931
 <u>Class B</u>	
PHILLIPS, L. E. (Bartlesville, Okla.)	1929 (re-elected) *
BYRNE, Thos. C. (Omaha, Nebr.)	1930
BERNARDIN, J. M. (Kansas City, Nebr.)	1931
 <u>Class C</u>	
McCLURE, M. L. (Kansas City, Nebr.) Chairman and FR Agent	1929 (re-elected) *
BRASS, F. M. (Grand Island, Nebr.)	1930
PETRIKIN, Wm. L. (Denver, Colo.) Deputy Chairman	1931

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Federal Reserve Bank of Dallas (Dist. 11)

OFFICERS

Governor	-	Lynn P. Talley
Vice Governors	-	R. R. Gilbert R. B. Coleman
Chairman and Federal Reserve Agent	-	C. C. Walsh
Deputy Chairman	-	Clarence E. Linz

Federal Reserve Bank of Dallas (Dist. 11)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
WILLIAMS, J. P. (Mineral Wells, Tex.)	1929 (re-elected) *
FROST, J. H. (San Antonio, Tex.)	1930
PATRICK, W. H. (Clarendon, Tex.)	1931
 <u>Class B</u>	
CULBERTSON, J. J. (Paris, Tex.)	1929 (re-elected) *
MILAN, J. R. (Waco, Tex.)	1930
CLEVELAND, A. S. (Houston, Tex.)	1931
 <u>Class C</u>	
LINZ, Clarence E. (Dallas, Tex.) Deputy Chairman	1929 (re-appointed) *
PERKINS, S. B. (Dallas, Tex.)	1930
WALSH, C. C. (Dallas, Tex.) Chairman and FR Agent	1931

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*For a three yr. period starting 1/1/30.
See footnote, 'Annual Report of Board', 1929, Page 238*

OFFICERS

Governor	-	John U. Calkins
Deputy Governors	-	William A. Day Ira Clerk
Chairman and Federal Reserve Agent	-	Isaac B. Newton
Deputy Chairman	-	Walton N. Moore

Federal Reserve Bank of San Francisco (Dist. 12)

DIRECTORS

<u>Class A</u>	<u>Term Expires</u> <u>Dec. 31</u>
RAMSAY, T. H. (Red Bluff, Calif.)	1929 (re-elected)*
VAWTER, Vernon H. (Medford, Oreg.)	1930
McINTOSH, C. K. (San Francisco, Calif.)	1931
 <u>Class B</u>	
DOHRMANN, A. B. C. (San Francisco, Calif.)	1929 (re-elected)*
SESNON, Wm. T. (Soquel, Calif.)	1930
COX, E. H. (Madera, Calif.)	1931
 <u>Class C</u>	
NEWTON, Isaac B. (San Francisco, Calif.) Chairman and FR Agent	1929 (re-appointed)*
MOORE, Walton N. (San Francisco, Calif.) Deputy Chairman	1930
SPROULE, Wm. (San Francisco, Calif.)	1931

* For a three year term starting 1/1/30.
See footnote, Annual Report of Board, 1929 Page 238

1930

HEARINGS

June 25-26

U.S. Congress. House. Committee on banking and
currency.

German reparation bonds: hearings ... 71st
cong., 2d sess. under H.J. Res. 364, prohibiting
the purchase of German reparation bonds by
national banks, Federal reserve banks, and
member banks of the Federal reserve system.

June 25-26, 1930. Wash., Govt. ptg. off., 1930 .

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(1930)

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1930
February 26

LEGISLATION

[PUBLIC—No. 55—71ST CONGRESS]

[S. 544]

An Act Authorizing receivers of national banking associations to compromise shareholders' liability.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any receiver of a national banking association is authorized, with the approval of the Comptroller of the Currency and upon the order of a court of record of competent jurisdiction, to compromise, either before or after judgment, the individual liability of any shareholder of such association.

Approved, February 25, 1930.

1930
April 12

LEGISLATION

[PUBLIC—No. 120—71ST CONGRESS]

[H. R. 9046]

An Act To amend the fourth paragraph of section 13 of the Federal Reserve Act, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the fourth paragraph of section 13 of the Federal Reserve Act, as amended (United States Code, title 12, section 345), be further amended to read as follows:

“The aggregate of notes, drafts, and bills upon which any person, copartnership, association, or corporation is liable as maker, acceptor, indorser, drawer, or guarantor, rediscounted for any member bank, shall at no time exceed the amount for which such person, copartnership, association, or corporation may lawfully become liable to a national banking association under the terms of section 5200 of the Revised Statutes, as amended: *Provided, however,* That nothing in this paragraph shall be construed to change the character or class of paper now eligible for rediscount by Federal reserve banks.”

Approved, April 12, 1930.

1930
April 14

LEGISLATION

[PUBLIC RESOLUTION—No. 65—71ST CONGRESS]

[H. J. Res. 227]

Joint Resolution Authorizing the erection of a Federal reserve branch building in the city of Pittsburgh, Pennsylvania.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Federal Reserve Bank of Cleveland be, and it is hereby, authorized to contract for and erect a building in the city of Pittsburgh, Pennsylvania, for its Pittsburgh branch, on a site now owned by it, provided the total amount expended in the erection of said building, exclusive of the cost of vaults, permanent equipment, furnishings, and fixtures, shall not exceed the sum of \$875,000: *Provided, however,* That the character and type of building to be erected, the amount actually to be expended in the construction of said building, and the amount actually to be expended for the vaults, permanent equipment, furnishings, and fixtures for said building shall be subject to the approval of the Federal Reserve Board.

Approved, April 14, 1930.

1930
April 17

LEGISLATION

[PUBLIC—No. 134—71ST CONGRESS]

[H. R. 8877]

An Act To amend section 9 of the Federal Reserve Act, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the ninth paragraph of section 9 of the Federal Reserve Act (United States Code, title 12, section 328), as amended, be further amended by inserting therein, immediately before the proviso now contained therein, the following: "*Provided, That the Federal Reserve Board, in its discretion and subject to such conditions as it may prescribe, may waive such six months' notice in individual cases and may permit any such State bank or trust company to withdraw from membership in a Federal reserve bank prior to the expiration of six months from the date of the written notice of its intention to withdraw.*"

Approved, April 17, 1930.

1930

April 23

Banks which have discontinued operations

LEGISLATION

Section 6 of Federal Reserve Act was amended so as to authorize the Comptroller of the Currency to appoint a receiver for a national bank which has discontinued its banking operations for 60 days without having gone into liquidation or having a receiver appointed for other lawful cause; and it was further provided that the stock held by the national bank in the Federal Reserve bank should thereupon be canceled and proper refund made. (46 Stat. 250, Ch. 207, sec. 1.) Section 9 was amended so as to authorize the Federal Reserve Board, after hearing, to forfeit the membership of a State member bank of the Federal Reserve System which has ceased to exercise banking functions without a receiver or liquidating agent having been appointed therefor. (46 Stat. 251, Ch. 207, sec. 2.)

Source: Supplement to statement on Evolution of Banking Legislation by
Walter Wyatt, October 26, 1939. Exhibit G

1930

June 17 Values for conversion of foreign money.

LEGISLATION

Section 522 of this Act made certain technical changes in the Act of May 27, 1921, relating to the authority of the Federal Reserve Bank of New York to determine the "buying rate" in connection with the conversion of foreign currency in the matter of import duties. (46 Stat. 739-740.)

Source: Supplement to statement on Evolution of Banking Legislation by Walter Wyatt, October 26, 1939. Exhibit G

1930
June 25

LEGISLATION

[PUBLIC—No. 431—71ST CONGRESS]

[S. 486]

An Act To amend section 5153 of the Revised Statutes, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5153 of the Revised Statutes, as amended (United States Code, title 12, section 90), is amended by adding at the end thereof a new paragraph to read as follows:

“Any association may, upon the deposit with it of public money of a State or any political subdivision thereof, give security for the safe-keeping and prompt payment of the money so deposited, of the same kind as is authorized by the law of the State in which such association is located in the case of other banking institutions in the State.”

Approved, June 25, 1930.

1930

June 26

Voluntary surrender of trust powers.

LEGISLATION

Section 11(k) of Federal Reserve Act was amended so as to provide a procedure whereby a national bank which had been authorized to exercise fiduciary powers could surrender those powers if it so desired, in order to relieve itself from the necessity for a further compliance with the requirements of that section or to have returned to it any securities which it might have deposited with the State authorities for the protection of private or court trusts or for any other purpose. This amendment also authorized the Board to issue regulations governing the exercise of trust powers by national banks. (46 Stat. 814, Ch. 612.)

Election of Federal Reserve bank directors.

That part of section 4 providing the method of counting ballots in elections of class A and class B directors of Federal Reserve banks was amended so as to clarify it with respect to certain technical questions. (46 Stat. 815, Ch. 614.)

Source: Supplement to statement on Evolution of Banking Legislation by Walter Wyatt, October 26, 1939. Exhibit G

1930

June 26

Costs of examination of member banks.

LEGISLATION

Section 9 of the Federal Reserve Act and section 5240 of the Revised Statutes, as contained in section 21 of the Federal Reserve Act, were amended so as to enable the Federal Reserve Board, in its discretion, to decide whether the costs of examinations of member banks of the Federal Reserve System made by the Federal Reserve Board or by the Federal Reserve banks should be assessed against the banks examined. Previously the law had required that the costs of all such examinations be assessed against the banks examined. It was also provided, under the law as amended, that copies of reports of examinations of State member banks could, in the discretion of the Federal Reserve Board, be furnished to the State banking authorities. (46 Stat. 814, Ch. 611.)

Source: Supplement to statement on Evolution of Banking Legislation by
Walter Wyatt, October 26, 1939. Exhibit G

[PUBLIC—No. 434—71ST CONGRESS]

[S. 485]

An Act To amend section 9 of the Federal Reserve Act and section 5240 of the Revised Statutes of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the seventh paragraph of section 9 of the Federal Reserve Act, as amended (U. S. C., title 12, sec. 326), is further amended by striking out the last sentence thereof and inserting the following:

“The expenses of all examinations, other than those made by State authorities, may, in the discretion of the Federal Reserve Board, be assessed against the banks examined and, when so assessed, shall be paid by the banks examined. Copies of the reports of such examinations may, in the discretion of the Federal Reserve Board, be furnished to the State authorities having supervision of such banks, to officers, directors, or receivers of such banks, and to any other proper persons.”

SEC. 2. That section 5240, United States Revised Statutes, as amended by section 21 of the Federal Reserve Act, is further amended in the third paragraph thereof (U. S. C., title 12, sec. 483) by striking out the second sentence of such paragraph and inserting in lieu thereof the following:

“The expense of such examinations may, in the discretion of the Federal Reserve Board, be assessed against the banks examined, and, when so assessed, shall be paid by the banks examined.”

Approved, June 26, 1930.

11.743. **Power, as executor, to sell trust property.**—The plaintiff acted as broker in procuring a customer for the sale of certain real property which was part of a trust estate being administered by the defendant national bank as executor under a will. In a suit by the plaintiff to recover compensation for her services, it was defended among other things, that the alleged contract with the plaintiff was beyond the powers conferred upon the bank by statute. The court held that the defendant bank, acting as executor, was assumed to have exercised the right to act as such with the permit of the Federal Reserve Board; and that, as such executor, it was clothed with all powers essential to the performance of its duties under the will, including authority to sell property of the trust estate, to employ a broker, and to pay a commission for the broker's services. It was further held that the terms of the sale contemplating that the bank should take a mortgage in excess of 50 per cent of the actual value of the property did not make the contract with the plaintiff illegal as in violation of the provisions of section 24 of the Federal Reserve Act. *Harvey v. First National Bank of Boston*, 270 Mass. 286, 169 N.E. 920 (1930).

13.502. Judgment against Federal Reserve bank set aside for lack of notice to attorneys.—In a suit by a national bank against the Federal Reserve Bank of Chicago for alleged negligence on the defendant's part in selecting a correspondent bank, the attorney for the plaintiff agreed with an attorney for the defendant not to proceed with the case during the February term of court without notifying the defendant's attorney. Subsequently, the defense attorney dropped dead and during the April term, without notice to the defendant, the plaintiff obtained a default judgment. Subsequently, counsel for the defendant applied to have the judgment vacated and the application was denied. On appeal, it was held that under the agreement, the defendant was entitled to expect notice during the April term as well as during the February term, and that therefore defendant's application to vacate the judgment should have been granted. *First National Bank of Newton v. Federal Reserve Bank of Chicago*, 210 Iowa 521; 231 N.W. 453 (1930).

13.545. **Negligence in accepting worthless draft.**—Checks deposited in the plaintiff bank by a corporation for collection were forwarded to the defendant Federal Reserve bank. The latter bank forwarded the checks direct to the drawee bank and received a draft of that bank in payment. The draft was dishonored and thereupon the plaintiff bank, as assignee of the rights of the corporation, brought action against the Federal Reserve bank for damages resulting from the alleged negligence of the defendant in handling the collection. It was held that, notwithstanding banking custom, it was negligence for the Federal Reserve bank to send the checks direct to the drawee bank and accept a worthless draft in payment and that the defendant was also negligent, under the circumstances disclosed, in delaying action for a period of nine days. Accordingly, judgment for the plaintiff was affirmed. *Federal Reserve Bank of Kansas City v. First National Bank of Denver*, 87 Colo. 158, 286 Pac. 116 (1930).

(8) *Right to Charge Uncollected Checks to Member Bank's Reserve Account*

13.700. When right to charge drawee's account becomes fixed.— Checks received by a Federal Reserve bank for collection were forwarded to the drawee bank which immediately acknowledged receipt thereof but did not remit. On the next day, the drawee bank failed and a receiver was appointed. Thereupon the Federal Reserve bank, before the expiration of the three-day transit time provided for in the Federal Reserve bank's collection circular, charged the checks to the account of the failed bank. The receiver sued the Federal Reserve bank to recover the amount of the failed bank's deposit balance with the Federal Reserve bank and also to recover the surrender value, with dividends, of shares of stock in the Federal Reserve bank owned by the bank at the time of its failure. The Federal Reserve bank claimed the right to apply the amount of the checks in question against the failed bank's reserve balance and to set off the amount of the checks against the amount due on the Federal Reserve bank stock. The receiver contended that the bank's balance could not have been charged with the checks until the expiration of the three-day transit period, and that until the expiration of that period the bank was entitled to draw upon its reserve balance in accordance with section 19 of the Federal Reserve Act. It was held, however, that the right of the Federal Reserve bank to charge the drawee bank with the checks became fixed, under the terms of its circular letter, when the checks were accepted by the drawee bank; that an equitable charge on the reserve balance was created in favor of the owners of the checks; and that therefore the checks could properly be applied against the receiver's claim for the reserve balance. On the other hand, it was held

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that the Federal Reserve bank could not set off the amount due on the checks in question against the amount due the failed bank on stock in the Federal Reserve bank since the checks did not represent a debt of the insolvent bank to the Federal Reserve bank and the mutuality necessary to a set-off was therefore lacking. *Federal Reserve Bank of Richmond v. Early*, 30 Fed. (2d) 198 (C.C.A. 4th, 1929), *aff'd*, 281 U. S. 84 (1930).

Note.—See 13.703 and note.

13.2765. Sufficiency of evidence of counterclaim.—In a suit by a Federal Reserve bank upon a promissory note, defendant alleged by way of defense that plaintiff had violated a verbal contract to pasture cattle on defendant's land and that as a result defendant was entitled to set up a counterclaim. Upon a trial of the issues before a jury, a verdict was rendered in the lower court for the defendant. On appeal, plaintiff alleged that the court had erred in overruling a motion for a directed verdict, in refusing to give instructions as to mitigation of damages, and in denying a motion for a new trial based upon newly discovered evidence. It was held that the action of the plaintiff in introducing evidence in its behalf after its motion for a directed verdict had been overruled constituted a waiver of the objection; that the record disclosed substantial evidence to support the damages assessed by the jury; that the question of mitigation of damages had not been pleaded by plaintiff and that the trial court correctly refused the requested instruction on this subject; and that the action of the trial court in overruling a motion for a new trial was proper in view of the fact that the motion disclosed that attorneys for the plaintiff knew of such evidence prior to the trial. Accordingly, judgment for the defendant was affirmed. *Federal Reserve Bank of Dallas v. Upton*, 34 N.M. 509, 285 Pac. 494 (1930).

RS-5242.102. Settlement of accounts with forwarding banks as relieving Reserve bank from liability.—A Federal Reserve bank presented certain checks, forwarded to it by its member banks for collection, to a nonmember drawee bank for payment and received drafts on another bank in remittance. These drafts were dishonored and the Reserve bank then procured cash from the drawee bank in part payment of such checks, having knowledge that the drawee was probably insolvent. The Reserve bank placed the proceeds in the accounts of its forwarding member banks. Subsequently, the drawee bank was declared a bankrupt and the trustees in bankruptcy sought to recover the moneys received by the Federal Reserve bank as a voidable preference. It was held that the Reserve bank had received such moneys as agent for collection and not as owner (citing Regulation J); and that since it had settled with its principals (the forwarding banks) before the petition in bankruptcy was filed, by placing the moneys in their deposit accounts, the money could not be recovered by the trustees in bankruptcy. Accordingly, judgment was rendered for the Federal Reserve bank. *Carson v. Federal Reserve Bank of New York*, 254 N. Y. 218, 172 N. E. 475 (1930).

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FEDERAL RESERVE SYSTEM

POLICY ACTION

(See 1929 - Oct.1929 to Dec.1930)