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A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, July 5, 1929 at 11:00 a.m.

PRESENT: Vice Governor Platt
Mr. James
Mr. Cunningham
Mr. McClelland, Asst. Secretary

Letter dated July 3rd from the Assistant Secretary of the Federal Reserve Bank of New York, telegram dated July 5th from the Chairman of the Federal Reserve Bank of Philadelphia and telegram dated July 3rd from the Chairman of the Federal Reserve Bank of St. Louis, all advising that their boards of directors at meetings on July 3rd made no changes in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Telegram dated July 3rd from the Deputy Governor of the Federal Reserve Bank of New York, advising that continued demand for bills has caused dealers to again increase their bid and asked prices by one-eighth per cent, but that conditions are such that practically no bills are being offered at the Federal Reserve bank and no reduction in its rates will be made for the present.

Noted.

Memorandum dated July 3rd from the Assistant Secretary, requesting authority to employ a stenographer, to fill a vacancy which exists in the Chief Clerk's office, for a probationary period of three months, at a salary not to exceed \$1500 per annum.

Approved.

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Letter dated July 2nd from the Comptroller of the Currency, requesting approval of the expenditure of not to exceed \$20,900 during the remainder of the present calendar year for the following additional employees in the Federal Reserve Issue and Redemption Division, in connection with the redemption of old size Federal Reserve notes during the currency turnover:

5 Money Counters for day work, at \$1200	-	\$3,000
25 Money Counters for night work, at \$1200	-	15,000
2 Messengers at \$1200	-	1,200
1 Assistant Teller at \$1800	-	900
1 Assistant Teller at \$1600	-	800

Approved.

Letter dated July 5th from the Comptroller of the Currency, referring to his desire to increase the salary of his Private Secretary above the \$3,000 limit which has been fixed by the Board for private secretaries, and requesting approval of the following arrangement, effective July 1, 1929:

- (1) Removal of the name of Mr. S. E. Kimball, Private Secretary, salary \$2,900 per annum, from the Board's payroll;
- (2) Addition of the name of Mrs. D. S. Griffiths, stenographer, salary \$2,180 per annum, to the Board's payroll.
- (3) Addition of the name of Henry Braxton, messenger, salary \$1,500 per annum, to the Board's payroll.

Approved.

Memorandum dated July 2nd from the Fiscal Agent, recommending that the Board approve payments to the Federal Reserve Banks of Boston, Philadelphia, Cleveland and Richmond, aggregating \$5,339.50 in reimbursement of travel and subsistence expenses, plus an allowance of \$25 for each man, of employees detailed by those banks to assist in the recent examination of the Federal Reserve Bank of New York; arrangements for the assistance having been made by the Board's

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Chief Examiner under authority granted in a resolution adopted by the Board on December 8, 1928.

Approved.

Letter dated July 2nd from the Chairman of the Federal Reserve Bank of St. Louis, advising that he expected to leave on July 5th for a vacation absence of two months.

Noted, without objection.

Report of Committee on Salaries and Expenditures on list submitted by Federal Reserve Bank of Chicago of employees for whom the directors of that bank approved leaves of absence with pay, on account of illness, during the period May 24th to June 27th, where the total of such absences since January 1, 1929 has exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

Letter dated July 2nd from the Vice President of the French American Banking Corporation, New York City, which is doing business under an agreement with the Board, advising that the authorized capital of the Corporation has been increased from \$2,000,000 to \$5,500,000.

Noted.

Letter dated July 3rd from Shearman and Sterling, attorneys for the National City Bank of New York, advising that the executive committee of the bank has authorized the officers to take all action necessary and proper to close, as at the close of business July 13th, the branch of that institution which has been maintained in Batavia, Java.

Noted, without objection.

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Letter dated June 28th from the Governor of the Federal Reserve Bank of New York, transmitting the first monthly compilation, as of May 31, 1929, of the amount of short term funds held in New York for foreign account; the reports from 38 banks and bankers aggregating \$2,445,568,000.

During the discussion which ensued, the Vice Governor was requested to advise the Governor of the New York bank that the Board would be interested in learning at the earliest possible date the amount of short term American funds held abroad.

Letter dated July 3rd from the Deputy Governor of the Federal Reserve Bank of New York, advising that there has been no change in the Open Market Investment Account since his letter to the Board of June 26th; the letter also stating that conditions in the bill and government securities markets remain unchanged with good demands in both.

Noted.

The Assistant Secretary then presented draft of a reply to letter dated June 28th from Mr. F. H. Curtiss, Acting Chairman of the Federal Reserve Agents' Conference, with reference to action taken at the Conference of Auditors of the Federal Reserve banks held on March 19-22; the proposed letter stating (1) that it would be better for the individual Federal Reserve banks to write to the Federal Farm Loan Board direct regarding the difficulty experienced by some of them in securing prompt receipts from Federal Land Banks for shipments of their coupons redeemed; and (2) that before taking any action, the Board will refer to the Fall Conferences of Governors and Chairmen, the recommendation that it would be desirable to request the American Bankers Association to induce commercial banks to

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incorporate a specific maturity date in the body of customers' notes instead of the present practice of having notes read "90 days after date", etc.

Upon motion, the letter submitted by the Assistant Secretary was approved.

The Vice Governor then referred to the galley proof of the forthcoming issue of the Federal Reserve Bulletin, setting forth the recent report of the Experts Committee for Settlement of the Reparations Problem; together with a synopsis thereof prepared by the Director of the Division of Research and Statistics. Mr. Cunningham questioned the propriety of publishing the synopsis and Mr. James raised objection to publication of either the report or the synopsis.

It was understood that the matter would be given further consideration at the next meeting of the Board.

REPORT OF STANDING COMMITTEE:

Dated, June 27th, Recommending action on an application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Recommendation approved.

The meeting adjourned at 12:45 p.m.

C. W. McCalland

Assistant Secretary.

Approved:

Edmund Platt

Vice Governor.