

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, November 13, 1929 at 11:00 a.m.

PRESENT: Governor Young
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. Cunningham
Mr. McClelland, Asst. Secretary

The Board resumed consideration of the report and recommendations of the Open Market Investment Committee and the proposed letter to the Chairman of the Committee submitted by Mr. Miller at the meeting yesterday.

During the discussion, Mr. Hamlin referred to the last paragraph of the proposed letter, cancelling the authority granted to the Open Market Investment Committee on September 24th to buy Government securities not to exceed \$25,000,000 per week. He stated he would vote reluctantly in favor of the proposed letter but that, in his opinion, the authority referred to should be continued and he would prefer to see the last paragraph of the proposed letter eliminated.

Mr. Platt stated that while he would vote in favor of the proposed letter without the last paragraph, with its inclusion, he felt he must vote "no".

At the conclusion of the discussion, Mr. Miller's motion to approve and transmit the letter to the Chairman of the Open Market Investment Committee submitted at the meeting yesterday was put by the Chair and carried, the members voting as follows:

Governor Young, "aye"
Mr. Hamlin, "aye"
Mr. Miller, "aye"
Mr. Cunningham, "aye"
Mr. Platt, "no"

Mr. Hamlin then moved that, in accordance with the letter just approved, the Governor, or in his absence, the Executive Officer of the Board, be authorized to give approval to a purchase of Government securities in an emergency, should the Board not be immediately available, any such approval

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to be promptly reported to the Board.

Mr. Hamlin's motion, being put by the Chair,
was unanimously carried.

Application of the Old Colony National Bank, Boston, Massachusetts, for additional stock (480 shares) in the Federal Reserve Bank of Boston, effective if and when an increase in the capital of that bank from \$200,000 to \$1,000,000 is approved by the Comptroller of the Currency.

Approved.

Telegram dated November 12th from the Deputy Governor of the Federal Reserve Bank of New York, advising that as a result of continued investment demand, together with somewhat easier money conditions, bill dealers are reducing their bid and asked rates one-eighth on all maturities effective today, offering prime two name bills maturing up to ninety days at $4\frac{1}{2}\%$, four months $4\frac{5}{8}\%$, and five and six months $4\frac{3}{4}\%$, with endorsed offerings up to 90 days at $4\frac{3}{8}\%$, four months $4\frac{1}{2}\%$, and five and six months $4\frac{5}{8}\%$.

Noted.

Telegrams dated November 8th from the Secretaries of the Federal Reserve Banks of Cleveland and Atlanta, both advising that their boards of directors at meetings on that date made no changes in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Report of Executive Committee on letter dated November 8th from the Comptroller of the Currency, recommending approval of a salary of \$6,500 per annum for National Bank Examiner Gail W. Crossen, assigned to the Comptroller's office; the Board's Committee also recommending approval.

Approved.

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Report of Committee on Salaries and Expenditures on lists submitted by the Federal Reserve Banks of Cleveland and Atlanta, of employees for whom the directors of those banks authorized leaves of absence with pay, on account of illness, during the month of October, where the total of such absences since January 1, 1929 has exceeded thirty days; the Board's Committee also recommending approval.

Approved.

Report of Committee on Salaries and Expenditures on letter dated November 8th from the Chairman of the Federal Reserve Bank of Dallas, advising of the action of the board of directors of that bank in approving an additional leave of absence of ninety days on account of illness, with full pay, for Mr. G. H. Doerner, Assistant Manager of the Accounting Department of the bank; the Board's Committee recommending approval.

Approved.

Bonds covering Mr. Frederic H. Curtiss, Federal Reserve Agent at Boston, executed on November 1st in the amount of \$25,000 and on November 5th in the amount of \$75,000.

Approved.

Matter approved on initials yesterday, namely, reply to telegram from the Chairman of the Federal Reserve Bank of Dallas inquiring as to the validity of a nomination for Class B Director of that bank made by the President of the State National Bank, Idabel, Okla., in a letter advising that he did not receive a copy of the form furnished member banks by the Federal Reserve Bank of Dallas for nominating purposes; the reply stating that the nomination is

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valid if made on authority of a resolution of the board of directors of the member bank passed not later than November 12th, the date on which nominations closed.

Upon motion, the reply was formally approved.

Memorandum dated November 8th from the Commissioner of the Public Debt transmitting copy of a letter addressed to the Governors of all Federal Reserve banks under date of October 30th, advising of a change to be made in due course in the design of Federal Reserve notes, whereby the appropriate letter will be substituted for the district number in the circle and the district numbers in the four corner positions will be slightly reduced in size.

Noted.

Report of Executive Committee on letter dated November 8th from the Federal Reserve Agent at Chicago, replying to letter addressed to him in accordance with action taken at the meeting of the Board on November 6th and recommending approval of the application of the Peoples National Bank and Trust Company, Chicago, Ill., an outlying institution, for a reduction in its reserve requirements from 13% to 10% of demand deposits; the Board's Committee also recommending approval.

Unanimously approved.

Letter dated November 8th from the Deputy Chairman of the Federal Reserve Bank of Atlanta, transmitting copy of a resolution unanimously adopted by the board of directors of that bank, excepting Chairman Newton,

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who was not in the meeting at the time, recommending that Mr. Newton's salary as Federal Reserve Agent and Chairman of the board of directors of the bank be fixed for the year 1930 at \$25,000, both in recognition of his past services to the bank and its members, and in consideration of the meritorious services now being rendered.

Upon motion, the resolution of the Atlanta directors was referred to the Committee on District #6.

Draft of reply, prepared by Counsel, to letter dated November 6th from the South Orange Trust Company, South Orange, N. J., referred to him at the meeting on November 7th, advising that the bank is prepared to accept the conditions of membership in the Federal Reserve System imposed upon it by the Board on October 28th, if it is correct in its understanding that the third condition - that except after applying for and receiving the permission of the Federal Reserve Board, it shall not acquire an interest in any other bank or trust company, through the purchase of stock in such other bank and trust company, - does not apply to such purchases made for investment purposes but only to purchases made with a view to obtaining a controlling interest in such other bank or trust company; the proposed reply stating that the condition of membership referred to applies to any purchase of stock in another bank or trust company, whether made with a view to acquiring a controlling interest or for investment purposes only, and requesting advice whether the South Orange Trust Company accepts the conditions of membership imposed upon it by the Board, including Condition #3 as interpreted.

Upon motion, the proposed letter was approved.

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The minutes of the meetings of the Federal Reserve Board held on November 8th and 11th were then read and approved.

The minutes of the meeting of the Federal Reserve Board held on November 12th were read and approved, as amended.

REPORTS OF STANDING COMMITTEES:

- Dated, November 11th, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.
- Dated, November 12th, Recommending action on an application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Recommendation approved.
- Dated, November 7th, Recommending action on an application for admission of a state bank, subject to the conditions stated in the individual report attached to the application, as set forth in the Auxiliary Minute Book of this date.
Recommendation approved.
- Dated, November 9th, Recommending approval of the application of Mr. L. J. Karcher for permission to serve at the same time as director of the First National Bank of Marshall, Mich., and as director and officer of the Old-Merchants National Bank & Trust Company of Battle Creek, Mich.
Approved.
- Dated, November 9th, Recommending approval of the application of Mr. Wendell L. Smith for permission to serve at the same time as director of the First National Bank of Marshall, Mich., and as director of the Old-Merchants National Bank & Trust Company of Battle Creek, Mich.
Approved.
- Dated, November 9th, Recommending approval of the application of Mr. R. F. Church for permission to serve at the same time as director of the Farmers & Merchants Bank of Watts, Cal., and as officer and employee of the Security-First National Bank of Los Angeles, Cal.
Approved.
- Dated, November 9th, Recommending approval of the application of Mr. Dennis B. Moynahan for permission to serve at the same time as director of the First National Bank of Glens Falls, N. Y., and as director of the Hamilton County National Bank of Wells, N. Y.
Approved.

The meeting adjourned at 1:10 p.m.

Approved:

Raymond
Governor.

C. W. McCalland
Assistant Secretary.