

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, November 22, 1929 at 11:45 a.m.

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

Mr. Wyatt, General Counsel, and Mr. Vest, Assistant Counsel, were present and advised the Board of a letter received from the Federal Reserve Agent at Richmond, requesting approval of a proposed merger of the Baltimore Trust Company, a member bank, with the Century Trust Company of Baltimore, a non-member bank, on which the stockholders of the two institutions will vote at meetings today. Counsel stated that an examination of the statute under which the consolidation is to be effected indicates that the resultant institution will be a new corporation, and he submitted draft of a telegram to the Federal Reserve Agent at Richmond advising that the Board will require that a new application for membership be made, which, if desired, may be filed prior to the consolidation by the Baltimore Trust Company on behalf of the consolidated institution, to take effect on the date of the consolidation.

After discussion, upon motion, the telegram submitted by Counsel was approved and he was requested to communicate with the Federal Reserve Agent by telephone and request a prompt recommendation in order that action on the application by the Board may be expedited.

The minutes of the meeting of the Federal Reserve Board held on November 13th were read and approved.

The minutes of the meeting of the Executive Committee of the Federal Reserve Board held on the morning of November 14th were read and after amendment

11/22/29

-2-

the actions recorded therein were ratified.

The minutes of the meeting of the Federal Reserve Board held on the afternoon of November 14th were read and approved.

The minutes of the meeting of the Executive Committee of the Federal Reserve Board held on November 16th were read and, upon motion, the actions recorded therein were ratified.

The minutes of the meetings of the Federal Reserve Board held on November 20th and 21st were read and approved.

Telegrams dated November 21st from the Chairmen of the Federal Reserve Banks of Kansas City and San Francisco, 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.

Telegram dated November 21st from the Deputy Governor of the Federal Reserve Bank of New York, advising of the establishment on that date of the following schedule of rates for purchases of bankers acceptances:

1 to 120 days	-	4%
121 to 180 days	-	4 1/2%
Repurchase	-	4%

Without objection, noted with approval.

Letter dated November 21st from the Secretary of the Federal Reserve Bank of New York, advising of approval by the board of directors of that bank of the schedule of buying rates above quoted and that other rates of discount and purchase were not changed by the directors.

Without objection, noted with approval.

11/22/29

-3-

Telegram dated November 22nd from the Deputy Governor of the Federal Reserve Bank of Boston, advising of the establishment today of the following schedule of rates for purchases of bankers acceptances:

1 to 120 days	-	4%
121 to 180 days	-	4 1/2%
Repurchase	-	4%

Without objection, noted with approval.

Telegram dated November 21st from the Deputy Governor of the Federal Reserve Bank of St. Louis, advising of the establishment today of the following schedule of rates for purchases of bankers acceptances:

1 to 120 days	-	4%
121 to 180 days	-	4 1/2%

Without objection, noted with approval.

Telegram dated November 22nd from the Chairman of the Federal Reserve Reserve Bank of Richmond, advising of the establishment today of the following schedule of rates for purchases of bankers acceptances:

1 to 120 days	-	4 1/8%
121 to 180 days	-	4 5/8%

Without objection, noted with approval.

Letter dated November 21st from the Deputy Governor of the Federal Reserve Bank of New York, advising that since his letter of November 14th, there has been no change in the total amount of Government securities held in the Open Market Investment Account or the portfolio of the New York bank, although the latter institution has made some exchanges of long term securities held by it for shorter term issues; the letter also stating that due to good market demands for both types of investments the New York bank's holdings of Government securities under repurchase agreement amount to only \$3,550,000 and re-

11/22/29

-4-

purchase agreements on acceptances have been entirely closed out.

Noted.

Memorandum dated November 21st from the Director of the Division of Research and Statistics, transmitting and recommending acceptance of the resignation of Mr. Corliss E. Armstrong, effective at the close of business November 30, 1929.

Accepted.

Memorandum dated November 21st from the Director of the Division of Research and Statistics, recommending the appointment of Mr. Donald S. Thompson as member of the research staff to succeed Mr. Armstrong, at an annual salary of \$3,800, effective January 1, 1930.

Approved.

Report of Committee on Salaries and Expenditures on lists submitted by the Federal Reserve Bank of Kansas City of employees of that bank for whom the directors 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 recommending approval of the salary payments involved..

Approved.

Memorandum dated November 20th from Mr. Cunningham, submitting correspondence with the Federal Reserve Agent at Chicago, regarding an amendment to the Federal Reserve Act providing for the cancellation of Federal Reserve bank stock held by member banks in process of liquidation or which have ceased doing business, as recommended by the Board in its Annual Reports for 1927 and

11/22/29

-5-

1928; Mr. Cunningham suggesting that the Board again recommend to the proper committees of Congress adoption of the amendment in question and that Counsel be directed to prepare appropriate letters transmitting, for the guidance of the committees, copies of the letters received from Mr. Heath.

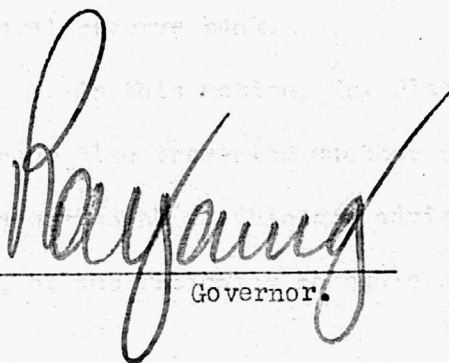
Upon motion, Mr. Cunningham's suggestion was approved.

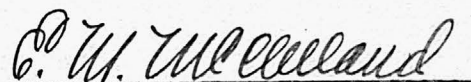
Memorandum from Counsel dated November 13th on letter dated October 22nd from the Deputy Governor of the Federal Reserve Bank of Chicago, regarding the amendment to Paragraph 6 of Section V of Regulation "J", adopted by the Board on October 15th, effective January 1, 1930; Counsel expressing the opinion that it is unnecessary to further amend the paragraph in question, as suggested by Mr. Blair, so as to protect the Federal Reserve banks against losses resulting from the failure of banks other than drawee banks to which checks are sent for collection.

After discussion, upon motion, the matter was referred to the Governor for recommendation to the Board.

The meeting adjourned at 1:00 o'clock.

Approved:


Governor.


Assistant Secretary.