

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, January 13, 1930 at 12:00 o'clock noon.

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

The Governor stated that he had expected to take up at the meeting of the Board this morning the official salaries for the year 1930 recommended by the directors of the various Federal Reserve banks but that only nine of the banks have submitted their recommendations and several of those arrived this morning too late for reference to the appropriate Committees. He suggested, therefore, that the members of the Board be furnished with lists of the salaries recommended at each Federal Reserve bank and that they be brought up for consideration at the meeting tomorrow. His suggestion was concurred in.

The Governor then stated that Mr. F. J. Lisman of the First Federal Foreign Banking Corporation called this morning and advised him generally of an arrangement the Corporation is making with the Bush Terminal Company of New York as a result of which it will handle a considerable volume of acceptances against goods in transit and in storage, in lieu of its present debenture business. Mr. Lisman expressed a desire that Mr. Bush, President of the Bush Terminal Company, appear before the Board tomorrow to explain the arrangement in detail.

Upon motion, the Governor was authorized to arrange the meeting.

The Governor then presented a letter dated January 11th from the Chairman of the Federal Reserve Bank of Richmond, advising of consideration given by the directors of that bank to the building plans submitted to the Board on

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January 7th by a committee consisting of Directors Delano, Rieman and Graham; the letter stating that the directors believe that Plan "C" as submitted to the Board by the Committee, involving an expenditure of approximately \$800,000, will best meet their situation and, therefore, request that the Board approve that plan in general terms and authorize the Richmond bank to proceed to carry it out on as economical a basis as possible, consistent with good construction, with the understanding that detailed plans will be submitted to the Board for its further information, or for its final approval, before contracts are let, should it so desire.

After discussion, upon motion, the above letter was referred to the Committee on District #5.

Telegrams dated January 10th from the Secretary of the Federal Reserve Bank of Atlanta and the Chairman of the Federal Reserve Bank of Chicago, 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 January 10th from the Deputy Governor of the Federal Reserve Bank of New York, advising that the expected investment demand for bankers bills has not developed and in view of their high portfolios bill dealers have increased bid and asked rates one-eighth percent on maturities up to ninety days.

Noted.

Memorandum dated January 10th from the Assistant Secretary, advising that Mr. Harris Creech has been reappointed by the directors of the Federal Reserve Bank of Cleveland as member of the Federal Advisory Council from the Fourth District, for the year 1930.

Noted.

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Letter dated January 10th from the Chairman of the Federal Reserve Bank of Atlanta, advising of the reelection of Mr. J. P. Butler, Jr., as member of the Federal Advisory Council from the Sixth District for the year 1930.

Noted.

Memorandum dated January 13th from the Assistant Secretary, advising that the directors of the Federal Reserve Bank of Chicago have reelected Mr. Frank O. Wetmore as member of the Federal Advisory Council from the Seventh District for the year 1930, and have reappointed Messrs. Melvin A. Traylor and Eugene M. Stevens as alternate members of the Council.

Noted.

Memorandum dated January 13th from the Assistant Secretary, advising of the appointment of Mr. Walter S. McLucas as member of the Federal Advisory Council from the Tenth Federal Reserve District for the year 1930, to succeed Mr. P. W. Goebel, who requested that he be not considered for reappointment.

Noted.

Letter dated January 9th from the Chairman of the Federal Reserve Bank of San Francisco, advising of the reelection of Mr. F. L. Lipman as member of the Federal Advisory Council from the Twelfth Federal Reserve District for the year 1930, with an allowance of \$750 for each Council meeting in Washington which he attends.

Upon motion, the allowance fixed for Mr. Lipman by the San Francisco directors was approved.

Letter dated January 9th from the Chairman of the Federal Reserve Bank of San Francisco, advising that Directors Cox, McIntosh and Moore were elected to serve with the Governor and Chairman on the Bank's Executive Committee during the year 1930.

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Noted.

Letter dated January 9th from the Chairman of the Federal Reserve Bank of San Francisco, advising of the reappointment of Mr. Allan Sproul as Secretary of the Board of Directors of that Bank and its Committees for the ensuing year, without extra compensation.

Noted.

Letter dated January 10th from the Chairman of the Federal Reserve Bank of Atlanta, advising of the death on January 9th of Mr. John E. Bouden, one of the Bank's appointees to the directorate of the New Orleans Branch.

Noted, with regret.

Letter dated January 10th from the Federal Reserve Agent at Chicago, advising that the authority recently granted Mr. Clifford S. Young to act as Assistant Federal Reserve Agent at Chicago supersedes as of January 10th instructions heretofore given for Mr. Young to sign as Acting Assistant Federal Reserve Agent.

Noted.

Reports of Committee on Salaries and Expenditures on lists submitted by the Federal Reserve Banks of Richmond 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 December, 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 January 7th from the Assistant Treasurer of the United States, advising that no applications were received from National banks during the quarter ending December 31, 1929, for the sale of bonds under Section 18 of the

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Federal Reserve Act.

Noted.

Report of Committee on Examinations on letter dated January 8th from the Federal Reserve Agent at Cleveland, requesting permission for representatives of his Department of Examination to make the usual credit investigation of the Security Trust Company, Lexington, Ky., and the State Bank and Trust Company, Richmond, Ky., without expense to the member banks, at the time they are under examination by the State authorities; the Board's Committee recommending approval.

Noted, without objection.

Memorandum dated January 9th from Counsel, submitting draft of letter to the Chairman of the Committee on Banking and Currency of the House of Representatives, regarding H. R. 2027, a bill to permit the Board to waive six months' notice of withdrawal from membership by a State member bank, regarding which Mr. Platt and Counsel appeared before the Committee on January 8th; the letter transmitting a revision of the proposed bill, suggested at the Committee hearing, providing that waiver of notice may be subject to such conditions as the Board may prescribe, in order to remove any possible doubt as to the Board's right to prescribe such conditions as may be necessary to require all liabilities to a Federal Reserve bank to be paid before withdrawal and to provide for any other contingency which may arise in each individual case.

Upon motion, the revised bill and the proposed letter to Chairman McFadden were approved.

Letter dated January 8th from the Deputy Governor of the Federal Reserve Bank of New York, regarding Open Market operations and conditions in the bill and Government securities markets during the week ending January 8th; the letter

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stating that the Open Market Investment Account remained unchanged at \$277,500,000, that the New York bank's holdings of securities under sales contract agreement decreased from \$21,850,000 to \$8,265,000, which balance was to be taken up on January 8th, and that System holdings of bills showed a reduction of about \$57,000,000 during the week - sales contracts \$17,000,000, Foreign Suspense Account \$4,000,000 and outright holdings \$36,000,000.

Noted.

Memorandum dated January 11th from the Director of the Division of Research and Statistics, regarding a request made by Mr. Miller at the meeting of the Board held on January 3rd for a statement as to the effect of a policy of Open Market operations having for its objective the keeping of discounts of member banks down to \$500,000,000.

Ordered circulated.

Memorandum dated January 10th from Dr. Goldenweiser, submitting in accordance with a request made by Mr. Hamlin on January 3rd, the figures regarding member bank credit, free gold, etc. submitted to the Board verbally at that meeting.

Ordered circulated.

The Assistant Secretary then referred to the application of the Bryant Park Bank, New York, N. Y., for membership in the Federal Reserve System and for 540 shares of stock in the Federal Reserve Bank of New York, on which the Board deferred action on December 20th until at least six months following a contemplated consolidation of the applicant bank with the World Exchange Bank of New York, which owns a controlling interest in the applicant. He stated that the Board has since been advised that no consolidation of the

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banks referred to will take place during 1930 and reconsideration of its application has been requested by the Bryant Park Bank. He submitted a report of the Committee on Examinations concurring in a recommendation of the directors of the Federal Reserve Bank of New York that the application be disapproved, based principally on the fact that the future of the Bryant Park Bank is largely dependent on its new controlling interests and that the record of this management in the World Exchange Bank is not good.

After discussion, upon motion, it was voted to disapprove the application of the Bryant Park Bank, New York, N. Y. for membership in the Federal Reserve System and for 540 shares of stock in the Federal Reserve Bank of New York.

REPORTS OF STANDING COMMITTEES:

Dated, January 8th, 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.

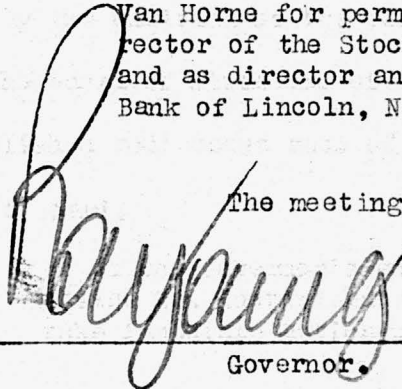
Dated, January 10th, Recommending approval of the application of Mr. William W. Inglis for permission to serve at the same time as director of the Kingston Bank and Trust Company of Kingston, Pa., as director of the First National Bank of Scranton, Pa., and as director of the First National Bank of Wilkes-Barre, Pa.  
Approved.

Dated, January 11th, Recommending approval of the application of Mr. Charles E. Hatfield for permission to serve at the same time as director of the Lechmere National Bank of East Cambridge, Massachusetts, as director of the Harvard Trust Company of Cambridge, Massachusetts and as officer and director of the First National Bank of Newton of West Newton, Massachusetts.  
Approved.

Dated, January 11th, Recommending approval of the application of Mr. Edwin N. Van Horne for permission to serve at the same time as director of the Stock Yards National Bank of Omaha, Nebr. and as director and officer of the Continental National Bank of Lincoln, Nebr.  
Approved.

The meeting adjourned at one o'clock.

Approved:

  
Governor.

  
Assistant Secretary.