

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, January 14, 1930 at 11:00 a.m.

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

PRESENT ALSO: Mr. Wyatt, General Counsel
 Mr. Vest, Assistant Counsel

In accordance with an arrangement made yesterday, Mr. F. J. Lisman, Chairman of the First Federal Foreign Banking Corporation and Mr. I. T. Bush, President of the Bush Terminal Company of New York were also present. Mr. Bush explained a proposed affiliation of the Bush Terminal Company with existing foreign organizations to form one large distributing service covering all important commercial centers throughout Europe, with the exception of Russia, in connection with the export of American manufactured goods abroad and the import of European products into this country and their ultimate distribution. He submitted a written plan of the business which the affiliated concerns propose to engage in, with certain documents to be used in connection therewith. He stated that the Bush Service Corporation contemplates acquiring the First Federal Foreign Banking Corporation for the handling of acceptance business arising out of its import and export transactions. At the conclusion of the discussion, Messrs. Lisman and Bush left the meeting.

The Governor then submitted a letter addressed to him under date of January 13th by the Chairman of the Federal Reserve Bank of Philadelphia, advising that the board of directors of the bank at their meeting tomorrow may vote to establish a rediscount rate of 4 1/2%, and requesting prompt action thereon by the Board.

At the Governor's suggestion, he was requested to advise Mr. Austin that the Board will be prepared to take immediate action upon receipt of advice from him.

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The Governor then submitted official salaries for the year 1930 fixed by the boards of directors of all Federal Reserve banks except Minneapolis, and stated that consideration of these salaries and the fixing of salaries for Federal Reserve Agents and their Assistants was to have been special order of business for this meeting. He referred to the absence of certain members of the Board and raised a question as to the advisability of acting upon all salary recommendations, particularly those of senior officers, at this meeting.

After discussion of various of the salaries proposed for the year 1930, the meeting recessed at one o'clock and reconvened at three o'clock, the same members being present as attended the morning session, and in addition Mr. Hamlin.

Further detailed discussion ensued which developed that the members of the Board present were deadlocked on many of the proposed salaries. At the conclusion of the discussion the Governor requested and received authority to transmit the following telegram to all Federal Reserve banks except Minneapolis:

"Pending consideration by the Board of official salaries for the year 1930 fixed by the directors of the various Federal reserve banks, subject to the approval of the Board, you are authorized to make salary payments on the basis of salaries approved for the year 1929, with the understanding that any increases approved by the Board later will be retroactive and effective as of January 1st."

It was understood that, if possible, the proposed salaries will be brought up as special order of business on Thursday, with the Secretary of the Treasury and the Comptroller of the Currency present, if the latter has returned to Washington by that date.

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The meeting adjourned at 4:40 p.m.

Mr. [unclear]
Mr. [unclear]
Mr. [unclear]
Mr. [unclear]
Mr. [unclear]
Mr. [unclear]

C. W. Woodland

Assistant Secretary.

Approved:

Rayburn

Governor.