

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, January 16, 1930 at 11:00 a.m.

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

The Governor referred to the special order of business for this meeting, namely, the approval of salaries recommended for officers during the year 1930 by the directors of all Federal Reserve banks, except Minneapolis, and the fixing of salaries for the Federal Reserve Agents and Assistant Federal Reserve Agents at the banks. He stated that the Comptroller of the Currency has not yet returned to Washington, but it was the consensus of opinion that the special order should be taken up at this meeting. At the suggestion of the Governor informal discussion then ensued, during which salaries questioned by individual members of the Board were pointed out and discussed. The salaries for senior officers of the banks, particularly the Chairmen and Governors, were taken up last with the result that it was informally determined that no increases in the salaries of the Governors and Chairmen would be approved. The recommendations at the individual Federal Reserve banks were then formally considered and action taken thereon as follows:

Federal Reserve Bank of Boston

Upon motion, the salary of Mr. Frederic H. Curtiss, as Federal Reserve Agent and Chairman of the board of directors, was fixed at \$20,000 for the year 1930.

Upon motion, the salary of Mr. Charles F. Gettemy, Assistant Federal Reserve Agent, was fixed at \$7,500 for the year.

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Upon motion, the following salaries fixed by the directors of the Boston bank were then approved, effective January 1, 1930:

<u>Name</u>	<u>Title</u>	<u>Salary</u>
Wm. P. G. Harding	Governor	\$30,000
Wm. W. Paddock	Deputy Governor	20,000
William Willett	Cashier	14,000
Krickel K. Carrick	Secretary	9,000
Ellis G. Hult	Assistant Cashier	7,500
Ernest M. Leavitt	" "	7,250
L. Wallace Sweetser	" "	7,000
Harry F. Currier	Auditor	6,500
Arthur H. Weed	Counsel	(retainer) 2,400

Federal Reserve Bank of New York

Upon motion, the salary of Mr. Gates W. McGarrah, as Federal Reserve Agent and Chairman of the board of directors, was fixed at \$50,000 for the year 1930.

Upon motion, the salary of Mr. W. R. Burgess, Assistant Federal Reserve Agent, was fixed at \$22,000 for the year.

Upon motion, the salary of Mr. W. H. Dillistin, Assistant Federal Reserve Agent, was fixed at \$15,000 for the year.

Upon motion, the salary of Mr. H. S. Downs, Assistant Federal Reserve Agent, was fixed at \$9,000 for the year.

A motion by Governor Young that a salary of \$60,000 fixed by the New York directors for Mr. George L. Harrison, Governor, be approved, was lost, Governor Young voting "aye".

Upon motion by Mr. Platt, it was then voted to advise the New York directors that the Board will approve a salary of \$50,000 for Governor Harrison for the year, if recommended by them.

A motion by Mr. Hamlin that a salary of \$12,000 per annum, fixed by the New York directors for Mr. Carl Snyder, statistician, be approved, was lost, Messrs. Platt and Hamlin voting "aye".

Upon motion, it was then voted to advise the New York directors that the Board will approve a salary of \$11,000 for Mr. Snyder for the year, if recommended by them.

Upon motion, the following salaries fixed by the New York directors were then approved, effective January 1, 1930:

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<u>Name</u>	<u>Title</u>	<u>Salary</u>
J. H. Case	Deputy Governor	\$45,000
L. F. Sailer	" "	40,000
E. R. Kenzel	" "	30,000
L. R. Rounds	" "	27,000
A. W. Gilbert	" "	25,000
W. S. Logan	" " & Gen. Counsel	22,000
J. E. Crane	" " Secretary	20,000
R. M. Gidney	Assistant Deputy Governor	18,000
J. W. Jones	" " "	14,000
W. B. Matteson	" " "	14,000
C. H. Coe	" " "	13,000
J. M. Rice	" " "	11,000
W. W. Burt	Manager	6,000
D. H. Barrows	"	9,000
E. C. French	"	10,000
R. F. McMurray	"	7,000
J. A. Mitchell	"	12,000
R. M. Morgan	"	7,000
H. V. Roelse	" & Asst. Secretary	8,000
W. A. Scott	"	7,000
I. W. Waters	"	9,000
E. L. Dodge	General Auditor	12,000

Buffalo Branch

R. M. O'Hara	Managing Director	12,000
R. B. Wiltse	Assistant Manager	8,400
H. W. Snow	Cashier	7,000
C. L. Blakeslee	Assistant Cashier	5,500

Federal Reserve Bank of Philadelphia

Upon motion, the salary of Mr. R. L. Austin, as Federal Reserve Agent and Chairman of the board of directors, was fixed at \$20,000 for the year 1930.

Upon motion, the salary of Mr. A. E. Post, Assistant Federal Reserve Agent, was fixed at \$8,000 for the year.

Upon motion, the salary of Mr. E. C. Hill, Assistant Federal Reserve Agent, was fixed at \$8,000 for the year.

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Upon motion, the following salaries fixed by the Philadelphia directors, were then approved, effective January 1, 1930:

<u>Name</u>	<u>Title</u>	<u>Salary</u>
George W. Norris	Governor	\$30,000
Wm. H. Hutt	Deputy Governor	18,000
C. A. McIlhenny	Cashier & Secretary	12,000
W. J. Davis	Assistant Cashier	9,000
James M. Toy	" "	8,000
R. M. Miller, Jr.	" "	7,500
Frank LaBold	" "	8,000
S. R. Earl	" "	7,500
Wm. G. McCreedy	Comptroller	7,000
Williams & Sinkler	Counsel (retainer)	2,500

Federal Reserve Bank of Cleveland

Upon motion, the salary of Mr. George DeCamp, as Federal Reserve Agent and Chairman of the board of directors, was fixed at \$20,000 for the year 1930.

Upon motion, the salary of Mr. W. H. Fletcher, Assistant Federal Reserve Agent, was fixed at \$11,000 for the year.

Upon motion, the salary of Mr. J. B. Anderson, Assistant Federal Reserve Agent, was fixed at \$6,500 for the year.

A motion by Governor Young that a salary of \$32,500, fixed by the Cleveland directors of Mr. E. R. Fancher, Governor, be approved, was lost, Messrs. Young and Platt voting "aye".

Upon motion by Mr. Cunningham, it was then voted to advise the Cleveland directors that the Board will approve a salary of \$30,000 for Governor Fancher for the year, if recommended by them.

Upon motion, the following salaries fixed by the Cleveland directors were then approved, effective January 1, 1930:

<u>Name</u>	<u>Title</u>	<u>Salary</u>
M. J. Fleming	Deputy Governor	\$18,000
F. J. Zurlinden	" "	18,000
H. F. Strater	Cashier-Secretary	13,000
C. W. Arnold	Assistant Cashier	7,500
C. L. Bickford	" "	7,500
D. B. Clouser	" "	7,200
W. F. Taylor	" "	7,500
George H. Wagner	" "	7,500

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Federal Reserve Bank of Cleveland (Cont'd)

<u>Name</u>	<u>Title</u>	<u>Salary</u>
F. V. Grayson	Auditor	\$7,500
Squire, Sanders & Dempsey	Counsel	4,000 retainer

Cincinnati Branch

C. F. McCombs	Managing Director	9,000
B. J. Lazar	Cashier	7,800
Bruce Kennelly	Assistant Cashier	5,000
Henry N. Ott	" "	5,400

Pittsburgh Branch

J. C. Nevin	Managing Director	13,500
Thomas C. Griggs	Cashier	8,700
P. A. Brown	Assistant Cashier	6,500
F. E. Cobun	" "	5,200

Federal Reserve Bank of Richmond

Upon motion, the salary of Mr. W. W. Hoxton, as Federal Reserve Agent and Chairman of the board of directors, was fixed at \$20,000 for the year 1930.

Upon motion, the salary of Mr. J. G. Fry, Assistant Federal Reserve Agent, was fixed at \$9,000 for the year.

Upon motion, the following salaries fixed by the directors of the Richmond bank were then approved, effective January 1, 1930:

<u>Name</u>	<u>Title</u>	<u>Salary</u>
George J. Seay	Governor	\$25,000
Charles A. Peple	Deputy Governor	17,500
R. H. Broadus	" "	14,000
J. S. Walden, Jr.	Controller	12,000
George H. Keesee	Cashier	9,000
John T. Garrett	Manager	8,000
Edw. Waller, Jr.	Assistant Cashier	7,500
W. W. Dillard	" "	6,000
Albert S. Johnstone	Manager	6,000
Travis F. Epes	Auditor	4,500
M. G. Wallace	Counsel	7,000

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Federal Reserve Bank of Richmond

Baltimore Branch

<u>Name</u>	<u>Title</u>	<u>Salary</u>
Albert H. Dudley	Managing Director	\$14,000
M. F. Reese	Cashier	5,000
Thomas I. Hays	Assistant Cashier	4,500
John R. Cupit	" "	4,500

Charlotte Branch

Hugh Leach	Managing Director	9,000
W. T. Clements	Cashier	5,000

Federal Reserve Bank of Atlanta

Upon motion, the salary of Mr. Oscar Newton, as Federal Reserve Agent and Chairman of the board of directors, was fixed at \$20,000 for the year 1930.

Upon motion, the salary of Mr. Ward Albertson, Assistant Federal Reserve Agent and Secretary, was fixed at \$9,000 for the year.

A motion by Mr. James that a salary of \$30,000, fixed by the Atlanta directors for Mr. E. R. Black, Governor, be approved, was lost, Mr. James voting "aye".

Upon motion by Mr. Hamlin, it was then voted to advise the Atlanta directors that the Board will approve a salary of \$25,000 for Governor Black for the year, if recommended by them.

Upon motion, the following salaries fixed by the Atlanta directors, were then approved, effective January 1, 1930:

<u>Name</u>	<u>Title</u>	<u>Salary</u>
Hugh Foster	Deputy Governor	\$12,500
Creed Taylor	" "	15,000
M. W. Bell	Cashier	9,000
H. F. Conniff	Assistant Cashier	7,500
V. K. Bowman	" "	5,000
R. A. Sims	" "	4,500
C. R. Camp	" "	4,500
P. L. T. Beavers	" "	4,500
S. P. Schuessler	" "	4,500
L. M. Clark	" "	4,000 *
W. S. Johns	General Auditor	9,000
J. Welsby Honour	Assistant "	4,500
Randolph, Parker & Fortson Clerk	General Counsel (retainer)	3,500 1,500

*Effective January 10, 1930.

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Federal Reserve Bank of AtlantaNew Orleans Branch

<u>Name</u>	<u>Title</u>	<u>Salary</u>
Marcus Walker	Managing Director	\$15,000
James A. Walker	Assistant Manager	6,500
William H. Black	Cashier	6,200
F. C. Vasterling	Assistant Cashier	3,600
William E. Miller	" Auditor	2,940

Birmingham Branch

A. E. Walker	Managing Director	7,500
H. J. Urquhart	Cashier	3,900
T. N. Knowlton	Assistant Cashier	2,880

Jacksonville Branch

W. S. McLarin, Jr.	Managing Director	6,500
Geo. S. Vardeman, Jr.	Cashier	4,500
Mary E. Mahon	Assistant Cashier	2,400

Nashville Branch

Joel B. Fort, Jr.	Managing Director	6,500
E. R. Harrison	Cashier	4,500
Leo W. Starr	Assistant Cashier	2,800

Savannah Agency

J. H. Bowden	Manager	4,000
James A. Goethe	Assistant Manager	2,400

Havana Agency

L. L. Magruder	Manager	8,400
H. C. Frazer	Assistant Manager	6,300

Federal Reserve Bank of Chicago

Upon motion, the salary of Mr. W. A. Heath, as Federal Reserve Agent and Chairman of the board of directors, was fixed at \$24,000 for the year 1930.

Upon motion, the salary of Mr. W. H. White, Assistant Federal Reserve Agent, was fixed at \$13,000 for the year.

Upon motion, the salary of Mr. Clifford S. Young, Assistant Federal Reserve Agent, was fixed at \$7,000 for the year.

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Federal Reserve Bank of Chicago (Cont'd)

A motion by Governor Young that a salary of \$37,500, fixed by the Chicago directors for Mr. J. B. McDougal, Governor, be approved, was lost on a tie, the members voting as follows:

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

Upon motion by Mr. Hamlin, it was then voted to advise the Chicago directors that the Board will approve a salary of \$35,000 for Governor McDougal for the year, if recommended by them.

Upon motion, the following salaries fixed by the Chicago directors were then approved, effective January 1, 1930:

<u>Name</u>	<u>Title</u>	<u>Salary</u>
J. H. Blair	Deputy Governor	\$30,000
C. R. McKay	" "	21,000
K. C. Childs	Controller	16,000
J. H. Dillard	"	13,500
W. C. Bachman	"	9,000
O. J. Netterstrom	"	8,500
D. A. Jones	"	7,500
F. Bateman	Manager	6,000
J. C. Callahan	"	6,250
R. E. Coulter	"	6,500
A. W. Dazey	"	6,750
E. A. Delaney	"	7,000
I. Fischer	"	6,250
R. J. Hargreaves	"	7,000
F. A. Lindsten	"	6,000
L. G. Meyer	"	6,500
L. G. Pavey	"	6,000
H. G. Pett	"	6,200
F. L. Purrington	"	6,000
J. G. Roberts	"	6,500
F. R. Burgess	Auditor	9,000
W. A. Hopkins	Assistant Auditor	7,000
A. L. Olson	Assistant Controller & Assistant Secretary	5,300
Carl Meyer	Counsel	10,000

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Federal Reserve Bank of Chicago (Cont'd)Detroit Branch

<u>Name</u>	<u>Title</u>	<u>Salary</u>
W. R. Cation	Managing Director	\$13,500
H. J. Chalfont	Cashier	8,000
J. G. Baskin	Assistant Cashier	6,750
G. T. Jarvis	" "	5,750
F. L. Bowen	Assistant Auditor	4,250
I. Levin	" Counsel	1,500

Federal Reserve Bank of St. Louis

Upon motion, the salary of Mr. Rolla Wells, as Federal Reserve Agent and Chairman of the board of directors, was fixed at \$20,000 for the year 1930.

Upon motion, the salary of Mr. C. M. Stewart, as Assistant Federal Reserve Agent, was fixed at \$10,000 for the year.

Upon motion, the following salaries fixed by the directors of the St. Louis bank were then approved, effective January 1, 1930:

<u>Name</u>	<u>Title</u>	<u>Salary</u>
Wm. McC. Martin	Governor	\$25,000
O. M. Attebery	Deputy Governor	17,000
J. G. McConkey	Secretary & Counsel	10,000
A. H. Hail	Controller	7,000
S. F. Gilmore	"	6,500
F. N. Hall	"	5,500
C. A. Schacht	"	4,500
G. O. Hollocher	"	4,000
E. J. Novy	Auditor	8,000
A. E. Debrecht	Assistant Auditor	3,600

Little Rock Branch

A. F. Bailey	Managing Director	9,000
M. H. Long	Cashier	4,800
C. Wood	Assistant Cashier	3,900

Louisville Branch

W. P. Kincheloe	Managing Director	10,000
John T. Moore	Cashier	6,000
Earl R. Muir	Assistant Cashier	5,000
Lee A. Moore	" Auditor	2,700

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Federal Reserve Bank of St. Louis (Cont'd)Memphis Branch

<u>Name</u>	<u>Title</u>	<u>Salary</u>
W. H. Glasgow	Managing Director	\$10,000
S. K. Belcher	Cashier	5,300
C. E. Martin	Assistant Cashier	4,800

Federal Reserve Bank of Kansas City

Upon motion, the salary of Mr. M. L. McClure, as Federal Reserve Agent and Chairman of the board of directors, was fixed at \$20,000 for the year 1930.

Upon motion, the salary of Mr. A. M. McAdams, as Assistant Federal Reserve Agent and Secretary, was fixed at \$10,000 for the year.

Upon motion, the following salaries fixed by the directors of the Kansas City bank were then approved, effective January 1, 1930:

<u>Name</u>	<u>Title</u>	<u>Salary</u>
W. J. Bailey	Governor	\$25,000
C. A. Worthington	Deputy Governor	16,000
J. W. Helm	" " & Cashier	12,000
John Phillips, Jr.	Assistant Cashier	7,000
G. E. Barley	" "	7,000
E. P. Tyner	" "	6,800
M. W. E. Park	" "	6,000
G. H. Pipkin	" "	6,000
N. R. Oberwortmann	" " & Examiner	5,000
S. A. Wardell	Auditor	8,000

Omaha Branch

L. H. Earhart	Managing Director	10,000
G. A. Gregory	Cashier	6,000
Wm. Phillips	Assistant Cashier	4,800
O. P. Cordill	" "	4,300

Oklahoma City Branch

C. E. Daniel	Managing Director	10,000
R. O. Wunderlich	Cashier	5,700
R. L. Mathes	Assistant Cashier	4,300

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Federal Reserve Bank of Kansas City (Cont'd)Denver Branch

<u>Name</u>	<u>Title</u>	<u>Salary</u>
Jos. E. Olson	Managing Director	\$10,000
S. A. Brown	Cashier	4,800
John A. Cronan	Assistant Cashier	4,300

Upon motion, it was voted to advise the Kansas City bank that the increase from \$6,000 to \$9,600 in the salary of Mr. H. G. Leedy, Counsel, in lieu of office space allotted to him in the Kansas City bank building, was approved by the Board with the understanding that an arrangement will be made with Mr. Leedy by which he will retain an office in the building.

Federal Reserve Bank of Dallas

Upon motion, the salary of Mr. C. C. Walsh, as Federal Reserve Agent and Chairman of the board of directors, was fixed at \$20,000 for the year 1930.

Upon motion, the salary of Mr. C. C. Hall, as Assistant Federal Reserve Agent, was fixed at \$9,000 for the year.

Upon motion, the salary of Mr. W. J. Evans, as Assistant Federal Reserve Agent, was fixed at \$8,500 for the year.

A motion by Mr. James that a salary of \$27,500, fixed by the Dallas directors for Mr. Lynn P. Talley, Governor, be approved was lost, Mr. James voting "aye".

Upon motion by Mr. Cunningham, it was then voted to advise the Dallas directors that the Board will approve a salary of \$25,000 for Governor Talley for the year, if recommended by them.

Upon motion, the following salaries fixed by the directors of the Dallas bank were then approved, effective January 1, 1930:

<u>Name</u>	<u>Title</u>	<u>Salary</u>
R. R. Gilbert	Deputy Governor	\$15,000
R. B. Coleman	" "	10,500
W. O. Ford	Asst. Deputy Governor	7,000
Fred Harris	Cashier	9,600
L. G. Pondrom	Asst. Cashier	6,000
E. B. Austin	" "	5,500
R. O. Webb	" "	5,000

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Federal Reserve Bank of Dallas (Cont'd)

<u>Name</u>	<u>Title</u>	<u>Salary</u>
W. P. Clarke	General Auditor	\$7,000
C. C. True	Assistant "	4,300
C. C. Huff	General Counsel	1,200
Locke, Locke, Stroud & Randolph	Counsel	9,000
<u>El Paso Branch</u>		
J. L. Hermann	Managing Director	6,000
Allen Sayles	Cashier	4,200
<u>Houston Branch</u>		
W. D. Gentry	Managing Director	8,000
C. B. Mendel	Cashier	4,500
H. R. DeMoss	Asst. Cashier	4,300
<u>San Antonio Branch</u>		
M. Crump	Managing Director	7,500
W. E. Eagle	Cashier	4,500
T. E. Parks	Asst. Cashier	4,000

Federal Reserve Bank of San Francisco

Upon motion, the salary of Mr. Isaac B. Newton, as Federal Reserve Agent and Chairman of the board of directors, was fixed at \$24,000 for the year 1930.

Upon motion, the salary of Mr. S. G. Sargent, as Assistant Federal Reserve Agent, was fixed at \$14,000 for the year.

Upon motion, the salary of Mr. Allan Sproul, as Assistant Federal Reserve Agent, was fixed at \$10,000 for the year.

Upon motion, the following salaries fixed by the directors of the San Francisco bank were then approved, effective January 1, 1930:

<u>Name</u>	<u>Title</u>	<u>Salary</u>
Jno. U. Calkins	Governor	\$30,000
Wm. A. Day	Deputy Governor	18,000
Ira Clerk	" "	16,000
W. M. Hale	Cashier	11,000

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Federal Reserve Bank of San Francisco (Cont'd)

<u>Name</u>	<u>Title</u>	<u>Salary</u>
C. E. Earhart	Assistant Cashier	\$7,200
C. D. Phillips	" "	6,300
H. N. Mangels	" "	6,300
E. C. Mailliard	" "	5,200
F. C. Bold	" "	5,000
J. M. Osmer	" "	5,000
F. H. Holman	General Auditor	7,200
R. T. Hardy	Auditor	5,000
A. C. Agnew	Counsel	(retainer) 10,000

Los Angeles Branch

W. N. Ambrose	Managing Director	10,000
M. McRitchie	Assistant Manager	5,300
A. J. Dumm	" Cashier	4,500
L. C. Meyer	" "	4,500

Portland Branch

R. B. West	Managing Director	7,200
S. A. MacEachron	Assistant Manager	5,000
J. P. Blanchard	" Cashier	4,200

Salt Lake City Branch

W. L. Partner	Managing Director	7,500
H. M. Craft	Assistant Manager	5,300
W. M. Smoot	" Cashier	4,200

Seattle Branch

C. R. Shaw	Managing Director	7,200
B. A. Russell	Assistant Manager	4,800
G. W. Relf	" Cashier	3,900

Spokane Branch

D. L. Davis	Managing Director	7,000
J. M. Leisner	Assistant Manager	5,000
Evan Berg	" Cashier	3,600

The Governor then presented a report of the Committee on District #5 reading as follows:

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"The Richmond Committee advises that Messrs. Cunningham and Young visited the Federal Reserve Bank of Richmond on Thursday, January 9th and made a careful inspection of both the bank proper and its present annex. We learned that conditions were as represented by the Committee of Richmond Directors, who previously appeared before the Board, which were about as follows:

(1) The main part of the Richmond Bank can house about 150 people and by using the basement for currency operations, can house about 200. The building is of the monumental type and would provide for 150 employees comfortably, but not much beyond that. The annex is on a very narrow lot and was built as an emergency building. By using all the space, about 250 people could be housed in the annex.

The Richmond Bank at the present time has approximately 332 employees. From this it can be seen that the Richmond problem is not a question of space so much as it is the arrangement of space. Their currency is handled in the basement under poor working conditions.

(2) Their Transit Department, for efficiency in operation, is crowded on one floor.

(3) Securities are handled in an alley between the annex and the main building. In other words, it is not a good set-up.

At a meeting of the Richmond Committee this morning, composed of Messrs. Hamlin, Cunningham and Young, all of these conditions were discussed. Your Committee considered the possibility of scrapping the present set-up and starting all over again, but believes that this procedure would be too expensive.

In an effort to correct the present existing conditions, your Committee considered Plans A and B, as submitted by the Committee of Richmond Directors, but believes that they are inadequate. Plan C was also considered, which involves an expenditure of approximately \$800,000. If Plan C is put through, the Richmond people contemplate disposing of the annex for approximately \$300,000, thereby reducing the cost to approximately \$500,000.

Your Committee has eliminated the sale of the annex from its calculations, because real estate is dead in Richmond at the moment and the annex is of a particular type of construction which would be suitable only for a very limited number of businesses, and because regardless of who purchased the property, alterations would be so extensive that concessions would have to be made in the sale price.

However, in view of all these conditions, your Committee recommends that the Richmond Board of Directors be authorized to proceed with an architect for the preparation of detailed plans, along the lines of Plan C, for the final approval of the Federal Reserve Board, before contracts are actually let."

After discussion, upon motion, the recommendation of the Committee was approved.

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Letter dated January 15th from the Deputy Governor of the Federal Reserve Bank of New York, transmitting regular monthly statement of the amount of short-term funds held in New York for foreign account, aggregating \$2,672,725,000, as of December 31, 1929.

Noted.

Mr. Miller then submitted, for consideration by the Board, the following suggested revision of open market investment procedure:

"(1) The Open Market Investment Committee, as at present constituted, to be discontinued and a new committee, to be known as the Open Market Policy Conference, to be set up in its place.

(2) Each Federal reserve bank to be represented on the Open Market Policy Conference.

(3) The Conference to meet with the Federal Reserve Board at such times as may be arranged by or with the Board.

(4) The function of the Open Market Policy Conference to be to consider, develop and recommend plans with regard to the purchase or sale of securities in the open market.

(5) The time, character and volume of such purchases and sales to be governed with the view of accommodating commerce and business and with regard to their bearing upon the credit situation.

(6) The conclusions and/or recommendations of the Open Market Policy Conference to be submitted to each of the Federal reserve banks and to the Federal Reserve Board for consideration and/or action.

(7) A committee to be known as the Open Market Executive Committee to be constituted for the purpose of executing such purchases and sales of securities as have been approved by Federal reserve banks and the Federal Reserve Board."

After considerable discussion, Mr. James moved that the Board approve the suggested revision, and submit it to the Federal Reserve banks with the request that the Board be advised, within the next thirty days, as to its approval or disapproval by their boards of directors.

Mr. James' motion being put by the Chair was carried, Governor Young voting "no".

The Governor stated that he voted "no" because of negotiations which he had previously, with the Secretary of the Treasury and the Governor and certain directors of the Federal Reserve Bank of New York, resulting in an understanding that no action would be taken just at this time.

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Mr. Hamlin then moved that the Board reconsider its vote of approval.

Mr. Hamlin's motion, being put by the Chair, was lost on a tie, the members voting as follows:

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

Mr. Cunningham made the following statement:

"The question of reorganizing the personnel of the Open Market Committee and its procedure has been before the Federal Reserve Board since August, 1928.

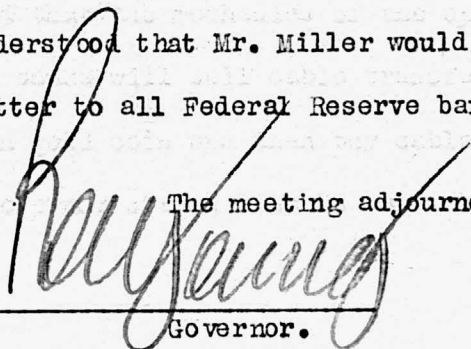
The Governor advises that he recently discussed this subject with the Chairman of the Board and the directors of the Federal Reserve Bank of New York and that it was tentatively agreed that no definite action would be taken at that time.

I have been impressed for some time with the necessity for some definite action on this matter in order that the activities of the Open Market Committee may have fuller recognition of the joint interests and responsibilities of the Federal Reserve Banks and the Federal Reserve Board. I hope that in opposing reconsideration of the present action of the Board approving the proposed plan of reorganization, my attitude will not be considered discourteous toward the Chairman and Governor of the Board, for regardless of the present action of the Board approving the proposed reorganization, they are always privileged to continue their deliberations on the subject with the Federal Reserve Bank of New York at their pleasure, and are also entitled to the privilege of moving an amendment or a reconsideration of the vote by which the reorganization was made effective whenever they deem it advisable. Therefore, I vote "no" on the motion to reconsider the vote of the Board approving a plan of reorganization of the Open Market Committee."

It was understood that Mr. Miller would prepare and submit to the Board draft of a letter to all Federal Reserve banks advising of the action taken by the Board.

The meeting adjourned at one o'clock.

Approved:


 Governor.


 Assistant Secretary.