

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, January 24, 1930 at 11:45 a.m.

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

Letter dated January 23rd from the Secretary of the Federal Reserve Bank of New York, advising that the board of directors at a meeting on that date made no change in the bank's existing schedule of rates of discount and purchase; the letter stating that the directors voted, however, to request the Board to reduce to $3\frac{1}{2}\%$ the minimum buying rate approved by it for the purchase of bankers acceptances, and subject to such action by the Board, to establish a minimum buying rate of $3\frac{1}{2}\%$ at or above which currently effective rates may be fixed. The Governor stated his understanding that if the minimum rate of $3\frac{1}{2}\%$ is approved by the Board the bank plans to reduce its effective rates slowly, at first by one-eighth only to $3\frac{7}{8}\%$ on short maturities.

A general discussion ensued during which it was the consensus of opinion that action by the Board should be deferred pending a thorough discussion of business and credit conditions on Monday with the Director of the Division of Research and Statistics and at the meeting of the Open Market Investment Committee on Tuesday.

Telegram dated January 23rd from the Chairman of the Federal Reserve Bank of Kansas City, advising that no meeting of the board of directors was held on that date due to lack of a quorum and that the next meeting will be held on February 13th, the regular meeting date.

Noted.

Telegram dated January 23rd from the Chairman of the Federal Reserve Bank of San Francisco, advising that the board of directors at a meeting on that date made no change in the bank's existing schedule of rates of discount

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and purchase.

Without objection, noted with approval.

Letter dated January 23rd from the Federal Reserve Agent at Cleveland, inquiring whether it will be satisfactory to the Board if he arranges to be away from his office for about two weeks beginning around February 1st.

Noted, without objection.

Report of Executive Committee on letter dated January 21st from the Comptroller of the Currency, recommending approval of a salary of \$2,700 per annum for National Bank Examiner James H. Gentry, assigned to the Ninth Federal Reserve District; the Board's Committee also recommending approval.

Approved.

Report of Committee on Examinations on letter dated January 22nd from the Federal Reserve Agent at Cleveland, requesting permission to have a representative of his Department of Examination make the usual credit investigation, without charge, of the Ohio Merchants Trust Company, Massillon, Ohio, and the Steubenville Bank and Trust Company, Steubenville, Ohio; the Board's Committee also recommending approval.

Noted, without objection.

Letter dated January 22nd from the Deputy Governor of the Federal Reserve Bank of New York, transmitting copy of letter dated November 26th from the Bank of Latvia and the Federal Reserve bank's reply of December 16th; the latter setting forth the terms and conditions which will govern the relationships to be established between the two institutions under the authority granted by the Board on January 21st.

Noted.

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Draft of letter to the Federal Reserve Agent at Atlanta, advising of the Board's action at the meeting yesterday in approving payment of bills for legal services during 1929; the letter stating that if the bank has in mind making arrangements for the year 1930, similar to those which existed last year, the matter should be taken up with the Board in advance, under the provisions of the Board's letter of February 15, 1926 (X-4531) that before employment of a special attorney whose services are likely to involve an expenditure by the Federal Reserve bank in excess of \$1,000, the matter should be submitted to the Board, with the request that it approve the payment of compensation to the attorney up to a stated amount.

Upon motion, the letter was approved.

Letter dated January 22nd from the Federal Reserve Agent at Cleveland, requesting permission, in connection with the discontinuance of Acting Assistant Federal Reserve Agents at the branches of that bank, to maintain temporarily a stock of unissued Federal Reserve notes in the vault of the Pittsburgh Branch, under control from the head office. The Assistant Secretary stated that in 1926 the Board considered a similar arrangement suggested by the Federal Reserve Agent at Kansas City for the branches of that bank which, although not made effective, was declared legal in an opinion rendered by the Board's Counsel.

It was voted that a letter be prepared and submitted for further consideration by the Board advising of approval of an arrangement at the Pittsburgh Branch along the lines of that considered by the Board in 1926.

REPORTS OF STANDING COMMITTEES:

Dated, January 23rd, Recommending approval of the application of Mr. J. G. Bright for permission to serve at the same time as director of the Florida National Bank of Jacksonville, Fla., as director of The Florida National Bank at Lakeland, Fla., and as director of the Florida National Bank at Bartow, Fla.

Approved.

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, January 23rd, Recommending approval of the application of Mr. Henry W. Dew for permission to serve at the same time as director of the Florida National Bank of Jacksonville, Fla., as director of the Florida National Bank at Lakeland, Fla., and as director of the Florida National Bank at Bartow, Fla.

Approved.

Dated, January 23rd, Recommending approval of the application of Mr. Ira W. Ciralsky for permission to serve at the same time as director of the Citizens National Bank of South Bend, Ind. and., as director of the Citizens Trust & Savings Bank of South Bend, Ind.

Approved.

Dated, January 23rd, Recommending approval of the application of Mr. Thomas F. English for permission to serve at the same time as director of the Citizens National Bank of South Bend, Ind. and as director of the Citizens Trust & Savings Bank of South Bend, Ind.

Approved.

Dated, January 23rd, Recommending approval of the application of Mr. H. P. Rausch for permission to serve at the same time as director and officer of the Citizens National Bank of South Bend, Ind. and as director and officer of the Citizens Trust & Savings Bank of South Bend, Ind.

Approved.

The meeting adjourned at 12:45 p.m.

C. W. McClelland
Assistant Secretary.

Approved:

Raymond
Governor.