

Upon call of the Governor, a special meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, January 30, 1930 at 3:45 p.m.

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

The Governor reported advice received from Deputy Governor Case of the Federal Reserve Bank of New York that the board of directors of that bank today voted, subject to review and determination of the Federal Reserve Board, to establish a rate of 4% on all classes of paper of all maturities, effective from the opening of business tomorrow and until further notice and superseding the existing rate, with the understanding, however, that this action is predicated upon approval or disapproval by the Federal Reserve Board today. He stated the directors also approved the establishment of an effective buying rate of 3 7/8% on bills maturing up to 45 days, but he was not advised of the balance of the schedule of buying rates which will be submitted to the Board later. He stated that Deputy Governor Case advised him that the action was unanimous and was based on the belief that a rate reduction would be an aid to the business situation. Upon inquiring whether the directors had taken into consideration the deliberations of the Open Market Investment Committee here yesterday and the day before, he was advised that a report was made by Mr. Burgess and thoroughly discussed by the directors.

The Governor then moved that the rate of 4% established by the New York directors on all classes of paper of all maturities be approved effective tomorrow, January 31st.

Governor Young's motion, being put by the Chair, was lost on a tie, the members voting as follows:

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

Mr. Platt stated that he might vote in favor of a reduction in the rate next week but in his opinion action today would be a little premature.

Mr. James stated that his vote was predicated, not only upon his own judgment but also upon the opinions and information developed at the meeting of the Open Market Policy Committee.

Mr. Cunningham stated that Mr. James' statement explains his position.

Mr. Hamlin stated that he had voted in favor of the reduction with reluctance, believing it to be rather early for a change, but that he was not prepared to override unanimous judgment of the New York directors that a reduction would be an aid to the business situation.

The Chairman stated that while he would rather not have action taken immediately, he did not believe a reduction today would have done any harm.

The Chairman then left the meeting.

The Governor submitted salaries fixed by the directors of the Federal Reserve Bank of Minneapolis for officers at the head office and Helena Branch, during the year 1930, approval of which is recommended by the District Committee and the Committee on Salaries and Expenditures.

He also submitted a letter from the Federal Reserve Agent at Minneapolis, recommending that the salaries of Assistant Federal Reserve Agents Bailey and Mosher be fixed at \$7,500 for the year, an increase of \$500 in each instance. He stated that these salaries apparently were not submitted to the directors of the Minneapolis Bank and recommended, with the concurrence of the District Committee and the Committee on Salaries and Expenditures, that the salary of

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Mr. Bailey be fixed at \$7,500 for the year, but that Mr. Mosher's salary remain at \$7,000.

Upon motion, the salary of Mr. John R. Mitchell as Federal Reserve Agent and Chairman of the Board of Directors of the bank was fixed at \$20,000 for the year 1930.

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

Upon motion, the salary of Mr. C. L. Mosher as Assistant Federal Reserve Agent was fixed at \$7,000 for the year.

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

W. B. Geery, Governor	-	\$25,000
Harry Yaeger, Deputy Governor	-	13,000
Harry I. Ziemer, " "	-	8,500
F. C. Dunlop, Controller	-	8,000
Gray Warren, Cashier	-	6,000
L. E. Rast, Asst. Cashier	-	5,000
H. C. Core, " "	-	5,500
A. R. Larson, " "	-	5,300

Helena Branch:

R. E. Towle, Managing Director	-	7,000
H. L. Zimmermann, Cashier	-	4,500
H. A. Hoerr, Asst. Cashier	-	3,300

The meeting adjourned at 4:45 p.m.

C. W. McAllister

Assistant Secretary.

Approved:

A. O. Nelson

Chairman.