

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, February 25, 1930 at 11:35 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on February 24th were read and approved.

Report of the Law Committee dated February 25th on application of the Citizens National Bank of Belle Plaine, Iowa, for permission to exercise general fiduciary powers, the Committee submitting a divided report thereon - Mr. Hamlin recommending approval in accordance with the recommendation of the Assistant Federal Reserve Agent at Chicago, and Mr. Platt advising that he is not willing to approve as, in his opinion, the bank is too small.

Upon motion of Governor Young, the application was approved, Mr. Platt voting "no".

The Governor then submitted the following schedule of rates for purchases of bankers acceptances made effective yesterday at the Federal Reserve Bank of Richmond, which he stated he had approved under authority granted him by the Board:

1 to 90 days	-	3 7/8%
91 to 120 days	-	4%
121 to 180 days	-	4 3/8%

Without objection, noted with approval.

He then submitted the following schedule of rates for purchases of bankers acceptances made effective at the Federal Reserve Bank of St. Louis on February 24th:

1 to 90 days	-	3 3/4%
91 to 120 days	-	3 7/8%
121 to 180 days	-	4 1/4%

Without objection, noted with approval.

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Letter dated February 24th from Mr. A. Tate Smith of the Economist Department of the New York Stock Exchange, requesting permission to reproduce in a monthly statistical bulletin, about to be published by the Exchange, of the wholesale trade index, commercial paper rates, and bankers acceptance rates appearing in the Federal Reserve Bulletin.

Upon motion, it was voted to interpose no objection to the reproduction of the data in question by the New York Stock Exchange.

The Governor then referred to the letter from Governor Harrison, considered at the meeting yesterday, regarding the cable received by him from the Vice President of the Organization Committee of the Bank for International Settlements and his reply thereto.

He reported that he had communicated with the Acting Secretary of State who stated that the Department had not been advised of any such communications. He also reported that he had talked with Deputy Governor Case over the telephone, who advised him that he sees no objection to the reference of Governor Harrison's letter to the State Department and that should the Organization Committee again request an expression as to whether the Federal Reserve Bank of New York would have any objection to the two directors appointed, a reply would be made to the effect that the bank has no authority to approve or disapprove the appointments.

Dr. Miller stated that, in his opinion, this is a very important matter and when the State Department has taken an attitude by public declaration in regard to such matter, as it has done in this case, the Board can not have any relationship in connection with it which is confidential to the exclusion of that Department, and that he would, therefore, recommend that Governor Harrison's letter be sent to the State Department with a brief letter of trans-

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mittal, requesting that it advise the Board if Governor Harrison's reply is in accordance with its announced position.

A discussion ensued, at the conclusion of which, upon motion by Mr. Hamlin, a letter to the Acting Secretary of State advising of the receipt of, and quoting Governor Harrison's letter, and then reading as follows was approved and ordered transmitted:

"Having in mind the public announcement made by Secretary Stimson on May 16th, 1929, with regard to the participation of any Federal reserve officials in the creation or management of the new proposed International Bank, we are referring the matter to your office and would respectfully request that you advise the Board if there is anything in Governor Harrison's reply which is not in harmony with the position taken by the State Department, or if the Department has any suggestions as to the kind of reply that should be made by the Governor of the New York bank to the second inquiry which will probably be made as to whether or not the Governor of the Federal Reserve Bank of New York objects to the selection of the American directors."

The Governor then referred to the matter before the Board of a reply to the letter received from the Chairman of the House Banking and Currency Committee, inviting a representative of the Board to appear before the committee on the study being made by it on group, chain and branch banking. He stated he had read the statement prepared by the Comptroller of the Currency for presentation to the Committee at the hearing today and that he believed it would be well for each member of the Board to read it before an attempt is made to formulate any statement regarding the Board's views on this question. He suggested that the Board advise Chairman McFadden that it doubts that it can make a statement on this subject at the present which will represent the views of the Board, but that it will be glad to cooperate with the Committee in any way in its conduct of the contemplated study.

Mr. James suggested that the Board is not prepared to recommend legislation

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in condemnation of group, chain, branch or unit banking.

Mr. Cunningham suggested that there is little the Board can or should say at this time, and that any statement made by any member of the Board would, in his opinion, be considered as a statement by the Federal Reserve Board. He further suggested that when the results of the study by the Committee are available the Board can then express an opinion on what is then actually before it.

Dr. Miller suggested that the Board state in the proposed reply to Congressman McFadden that it feels this is one of the most important and most difficult problems in banking changes before the country at the present time and before conclusions can be arrived at there should be available more complete information regarding the causes, organization and effects of group chain and branch banking as it exists in the United States.

After considerable discussion, during which reference was made to recommendations of the Governors and Agents Conferences, and the Federal Advisory Council and the action of the Board on December 12th in voting that a committee be appointed to assemble data on this subject, and also during which the Governor presented draft of a proposed letter to the Governors and Chairmen of all Federal Reserve banks requesting suggestions as to the personnel of this committee, action on the matter was deferred.

REPORTS OF STANDING COMMITTEES:

Dated, February 24th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.

Dated, February 21st, Recommending approval of the application of Mr. John T. Campbell for permission to serve at the same time as director and officer of the First National Bank of Bradenton, Fla. and as director of the First National Bank of Tampa, Fla.

Approved.

Dated, February 21st, Recommending approval of the application of Mr. L. E. Wakefield for permission to serve at the same time as director and officer of the First National Bank of Minneapolis, Minn. and as director of the First National Bank of St. Paul, Minn.

Approved.

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, February 21st, Recommending approval of the application of Mr. Geo. H. Prince for permission to serve at the same time as director and officer of the First National Bank of St. Paul, Minn., as director of the First National Bank of Minneapolis, Minn., and as director and officer of the First National Bank of Cloquet, Minn.

Approved.

Dated, February 21st, Recommending approval of the application of Mr. R. C. Lilly for permission to serve at the same time as director and officer of the First National Bank of St. Paul, Minn., as director of the First National Bank of Minneapolis, Minn., and as director and officer of the Grand Avenue State Bank of St. Paul, Minn.

Approved.

Dated, February 24th, Recommending approval of the application of Mr. J. E. Roman for permission to serve at the same time as director of the American National Bank of Portland, Oregon and as officer and director of the National Bank of Commerce of Astoria, Oregon.

Approved.

Dated, February 24th, Recommending approval of the application of Mr. Joseph L. Rehme for permission to serve at the same time as officer of the South Side National Bank of St. Louis and as officer and director of the Lafayette-South Side Bank and Trust Company, both of St. Louis, Mo.

Approved.

Dated, February 25th, Recommending approval of the application of Mr. James F. Alexander for permission to serve at the same time as officer of the First National Bank of Atlanta, Ga. and as director of the National Exchange Bank of Augusta, Ga.

Approved.

Dated, February 25th, Recommending approval of the application of Mr. William Murphey for permission to serve at the same time as officer and director of the Citizens & Southern National Bank of Savannah, Ga., as director of the Albany Exchange National Bank of Albany, Ga., and as director of the La Grange National Bank of La Grange, Ga.

Approved.

Dated, February 25th, Recommending approval of the application of Mr. Thomas K. Glenn for permission to serve at the same time as director and officer of the First National Bank of Atlanta, Ga., as director and officer of the Trust Company of Georgia of Atlanta, Ga., and as director of the Fourth National Bank of Columbus, Ga.

Approved.

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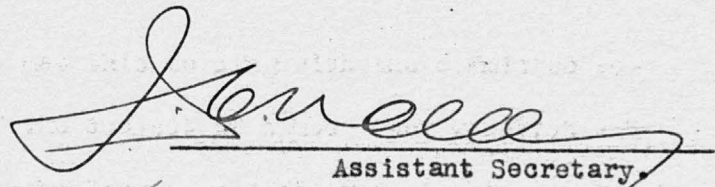
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REPORTS OF STANDING COMMITTEES: (Cont'd)

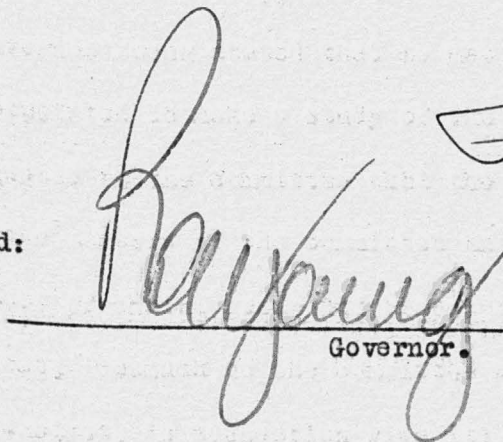
Dated, February 25th, Recommending approval of the application of Mr. William J. Brewster for permission to serve at the same time as director of the Bergenfield National Bank and Trust Company of Bergenfield, N. J., and as director of the Peoples Trust and Guaranty Company of Hackensack, N. J.

Approved.

The meeting adjourned at 1:20 p.m.


Assistant Secretary.

Approved:


Governor.