

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, April 1, 1930 at 11:00 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on March 31st were read and approved.

The Vice Governor stated that special order of business for this meeting is a hearing to show cause why the American Bank and Trust Company, Paris, Arkansas should not be required to surrender its stock in the Federal Reserve Bank of St. Louis and to forfeit all rights and privileges of membership in the Federal Reserve System.

No one appeared on behalf of the said American Bank and Trust Company, Paris, Arkansas, at the said hearing before the Federal Reserve Board, under the terms of Section 9 of the Federal Reserve Act. It was the consensus of opinion of the members present, from consideration of the evidence and information received by the Board, that the American Bank and Trust Company, Paris, Ark., has failed to comply with the provisions of Section 9 of the Federal Reserve Act in that it has not maintained with the Federal Reserve Bank of St. Louis the reserve required by the Federal Reserve Act, and its membership in the Federal Reserve System should, therefore, be forfeited. Certain members, however, questioned the advisability of making the forfeiture of the bank's rights and privileges of membership effective at a future date, such as July 1, 1930, recommended by the Executive Committee of the Federal Reserve Bank of St. Louis.

Accordingly, the matter was referred to the Committee on District No. 8 with the request that it advise the di-

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rectors of the Federal Reserve Bank of St. Louis of the feeling of the Board as set out above and, after communicating with the St. Louis Directors, submit its recommendation as to action to be taken by the Board.

Report of Committee on District #5 with regard to plans for the proposed addition to the Richmond building presented by Mr. Delano at the meeting on March 31st, the Committee submitting draft of a letter to the Chairman of the Federal Reserve Bank of Richmond, advising that the Board will interpose no objection to the bank proceeding to ask for bids on the basis of these plans, regarding which it has no suggestions to make, but that when bids have been received the proposal which the Board of directors desires to accept should be first submitted to the Federal Reserve Board for approval, together with an estimate as to the amount which it is proposed to expend for furnishings and fixtures in the addition.

Upon motion, the letter submitted by the Committee was approved.

Draft of reply to letter dated March 24th from the President of the First National Bank of Boston, which was discussed at the meeting on March 27th, regarding the possibility of arrangements being made for examinations of the First National Old Colony Corporation of Boston by the Board's Examiners, the expenses of such examinations to be borne by the Corporation; the letter setting forth certain reasons because of which it is not felt that the Board could properly undertake examinations of the Corporation in question. During the discussion which ensued, certain members of the Board suggested some change in the statement of the reasons for the Board's position.

The letter was referred back to the Governor for revision.

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REPORTS OF STANDING COMMITTEES:

Dated, April 1st, Recommending a change in stock at a Federal Reserve bank as set forth in the Auxiliary Minute Book of this date.

Recommendation approved.

The meeting adjourned at 12:15 p.m.

C. W. W. Cleveland

Assistant Secretary.

Approved:

Edmund Platt

Vice Governor.