

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, April 4, 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 April 1st were read and approved.

Matter approved on initials on April 3rd, namely, cancellation of 450 shares of stock in the Federal Reserve Bank of Dallas standing in the name of the Texas National Bank, Fort Worth, Texas.

Formally approved.

Telegram dated April 2nd from the Assistant Federal Reserve Agent at Minneapolis, advising of the establishment on that date of the following rates for purchases of bankers acceptances:

1 to 120 days	-	3%
121 to 180 days	-	3 1/4%

Without objection, noted with approval.

Telegram dated April 3rd from the Chairman of the Federal Reserve Bank of San Francisco, advising of a reduction from 3 1/4% to 3%, effective April 3rd, in that bank's rate for purchases of bankers acceptances under resale agreement.

Without objection, noted with approval.

Telegram dated April 1st from the Deputy Governor of the Federal Reserve Bank of New York, advising of a further increase in rates by bill dealers to 3% bid - 2 7/8% asked on maturities up to 90 days, 3 1/8% bid - 3% asked on 90 to 120 days and 3 1/4% bid - 3 1/8% asked on 121 to 180 days,

4/4/30

-2-

with endorsed bills $1/8\%$ less.

Noted.

Letter dated April 3rd from the Secretary of the Federal Reserve Bank of New York, telegram dated April 2nd from the Chairman of the Federal Reserve Bank of Philadelphia, telegram dated April 2nd from the Assistant Federal Reserve Agent at St. Louis and telegram dated April 3rd from the Chairman of the Federal Reserve Bank of San Francisco, all advising that their boards of directors at meetings on the dates stated made no changes in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Letter dated April 2nd from the Chairman of the Federal Reserve Bank of New York, advising of operations and conditions in the bill and Government securities markets during the week ending on that date.

Noted.

Letter dated March 27th from the Acting Secretary of the Open Market Investment Committee transmitting minutes of the meeting of the Committee held on March 24th and 25th.

Ordered circulated.

Letter dated April 2nd from the Chairman of the Federal Reserve Bank of Philadelphia, advising that the board of directors at a meeting on that date voted to accept participation in the Open Market Policy Conference, under the revised plan recently approved by the Board, and also voted to designate Governor Norris as the bank's representative at meetings of the Conference.

Noted.

4/4/30

-3-

Circular letter dated April 1st from the Chairman of the Federal Reserve Bank of Kansas City, advising of the election of Mr. Willard D. Hosford as Class B Director of the Federal Reserve Bank of Kansas City for the unexpired term ending December 31, 1930.

Noted.

Letter dated April 2nd from the Chairman of the Federal Reserve Bank of Philadelphia, advising of the resignation of Mr. Levi L. Rue as member of the Federal Advisory Council from the Third District, and the appointment to succeed him of Mr. Howard A. Loeb, Chairman of the Tradesmens National Bank and Trust Company of Philadelphia.

Noted.

Letter dated April 4th from the Comptroller of the Currency, recommending approval of a salary of \$3,000 per annum for National Bank Examiner Reed Dolan, assigned to the Sixth Federal Reserve District.

Approved.

Memorandum dated April 1st from the Director of the Division of Research and Statistics, advising that Mr. W. W. Riefler of the Division has been selected to act as Secretary of the System's Committee on Bank Reserves, with salary at the rate of \$7,000 per annum, and recommending that Mr. Riefler be granted leave of absence without pay for six months beginning April 1, 1930, with a possible extension for another six months, for the purpose of assuming his duties as Secretary of the Committee.

Upon motion, it was voted to grant Mr. Riefler leave of absence without pay for six months, beginning April 1st.

Reports of Committee on Salaries and Expenditures on lists submitted

4/4/30

-4-

by the Federal Reserve Banks of Boston, Philadelphia, Chicago and St. Louis of employees for whom the directors of those banks authorized leaves of absence with pay, on account of illness, during the month of March, except in the case of Chicago where the period covered by the report was from February 28th to March 27th, in cases where the total of such absences granted since January 1, 1930 has exceeded thirty days.

Upon recommendation of the Committee, the salary payments involved in the leaves of absence authorized by the directors of the several banks were approved.

Letter dated April 2nd from the Federal Reserve Agent at Philadelphia, advising that effective at the close of business March 29th the Pennsylvania Company for Insurances on Lives and Granting Annuities and the Colonial Trust Company, both member banks of Philadelphia, consolidated with the charter and title of the Pennsylvania Company for Insurance on Lives and Granting Annuities.

Noted.

Letter dated April 2nd from the President of the Integrity Trust Company, Philadelphia, Pa., accepting the conditions of membership imposed by the Board, including one that except after applying for and receiving the permission of the Board it shall not acquire an interest in any other bank or trust company through the purchase of stock in such other bank or trust company; the letter stating that when the former institution accepted this condition it was explained by an executive of the Federal Reserve Bank of Philadelphia as not applying to an occasional purchase of a nominal amount of bank or trust company shares but relating to a substantial interest in another institution, and further, that the Integrity Trust Company maintains a securities department

4/4/30

-5-

which has occasion from time to time to buy odd lots of bank and trust company stocks available for customers' requirements, which accounts for its having stock in certain other banks among its temporary investments when it was last examined.

After discussion as to the interpretation placed upon the Board's condition by the Integrity Trust Company and other State member banks, it was voted to hold the matter in abeyance pending the investigation into investments in bank stocks by State member banks, which is being made by the Committee on Examinations.

Letter dated April 1st from the Federal Reserve Agent at Chicago, enclosing copy of one received from The Farmers and Wabash National Bank, Wabash, Indiana, with reference to rumors which are being circulated in its community about banks in general and that bank in particular; the Agent stating it is possible the Board may deem it advisable to pass the letter on to the Department of Justice.

After discussion, the Assistant Secretary was directed to advise the Federal Reserve Agent that there is no existing law in the premises, but that the Board has recommended approval of a bill pending in Congress which would make it a Federal offense to circulate maliciously rumors regarding member banks.

Memorandum from Counsel dated April 1st, regarding a suggestion by the Federal Reserve Agent at Richmond that the Board cancel a condition of membership imposed upon the State-Planters Bank and Trust Company of Richmond that it shall agree to deposit with the trust department security for funds belonging to that department deposited with its banking department, in the same manner as required of National banks exercising fiduciary powers; Counsel stating that while this condition has not been imposed upon any other member

4/4/30

-6-

trust company, since the practice required by the condition is a sound one and the member bank involved has not requested its cancellation, it would not seem necessary for the Board to cancel the condition at this time.

Upon recommendation of the Law Committee, it was voted to approve a letter to the Federal Reserve Agent submitted with Counsel's memorandum, advising that the Board prefers not to cancel the condition referred to at this time.

Memorandum from Counsel dated April 2nd, advising that there would be no legal objection to the Board granting permission requested by the First Federal Foreign Banking Corporation to engage in acceptance business, notwithstanding that the Corporation has notes outstanding, provided that it will at this time deposit with the trustee a sum sufficient to redeem all of its outstanding notes on July 15, 1930; the trustee to certify to the Board the amount of notes outstanding and the sum received from the Corporation.

After discussion, upon motion, it was voted to approve the request of the Corporation.

Report of Committee on District #8, with reference to the membership of the American Bank and Trust Company of Paris, Arkansas, hearing on which was held on April 1st; the Committee advising that it concurs in the thought of the directors of the Federal Reserve Bank of St. Louis that it would be unwise to take action forfeiting the bank's membership effective at once, and also believes it would be inadvisable from the point of view of Federal Reserve administration, to take action at this time to be effective at a future date, as recommended by the St. Louis directors.

After discussion, upon motion, it was voted to approve a recommendation of the Committee that the matter be held in abeyance until just prior to July 1, 1930 when it should again be taken up with the St. Louis bank.

4/4/30

-7-

The Assistant Secretary presented copies of a memorandum just received from the joint committee representing banks in Colorado, Oklahoma, Texas and Kansas which have been petitioning for the establishment at Wichita, Kansas, of a branch of the Federal Reserve Bank of Kansas City.

The Assistant Secretary was directed to furnish copies of the letter to each member of the Board and to forward a copy to the Kansas City Bank for its information.

The Assistant Secretary then advised the Board of the need for an additional stenographer in his office and, upon motion, he was authorized, subject to approval by the Governor, to employ a stenographer for a probationary period of three months at a salary not to exceed \$1800 per annum.

REPORTS OF STANDING COMMITTEES:

- Dated, April 1st, Recommending changes in stock at Federal Reserve banks as
 2nd, set forth in the Auxiliary Minute Book of this date.
 3rd, Recommendations approved.
- Dated, February 18th, Recommending action on applications for fiduciary powers
 April 2nd, as set forth in the Auxiliary Minute Book of this date.
 Recommendations approved.
- Dated, March 31st, Recommending approval of the application of Mr. George L. Rose for permission to serve at the same time as director and officer of the Liberty National Bank, Oklahoma City, Okla. and as director of the First National Bank of Calumet, Okla.
 Approved.
- Dated, March 31st, Recommending approval of the application of Mr. Irving Riker for permission to serve at the same time as director of The Irvington National Bank of Irvington, N. J., and as director of the Merchants & Newark Trust Company of Newark, N. J.
 Approved.
- Dated, March 31st, Recommending approval of the application of Mr. Ralph B. Lloyd for permission to serve at the same time as director and officer of the Citizens National Bank of Portland, Ore. as director and officer of the Union State Bank of Portland, Ore., and as director of the Security-First National Bank of Los Angeles, Cal.
 Approved.

4/4/30

-8-

REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, March 31st, Recommending approval of the application of Mr. Raymond C. Dexter for permission to serve at the same time as officer of the Second National Bank of Boston, Mass. and as director of the Everett National Bank of Everett, Mass.

Approved.

Dated, April 2nd, Recommending approval of the application of Mr. W. L. Honnold for permission to serve at the same time as director of the Security First National Bank of Los Angeles, Cal. and as director of the Phoenix National Bank of Phoenix, Ariz.

Approved.

Dated, April 2nd, Recommending approval of the application of Mr. F. G. Babb for permission to serve at the same time as director and officer of the Liberty National Bank of Oklahoma City, Okla. and as director of the First National Bank of Calumet, Okla.

Approved.

The meeting adjourned at 12:50 p.m.

G. W. McClelland
Assistant Secretary.

Approved:

Samuel Platt

Vice Governor.