

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, April 15, 1930 at 10:30 a.m.

PRESENT: Governor Young  
Mr. 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 8th were read and approved.

The Governor referred to a proposed official trip abroad contemplated during the summer by Dr. Goldenweiser, Director of the Division of Research and Statistics. He stated that Dr. Goldenweiser has not been well for some time and is badly in need of a rest which he can not take while in Washington, due to the many calls upon him. The Governor recommended that Mr. Goldenweiser be permitted to absent himself from Washington between June 12th and September 4th, under arrangements which he has tentatively made, which will permit him to take a short vacation prior to and after his return from his trip abroad.

There being no objection, the Governor's recommendation was concurred in.

The Assistant Secretary then reported that under authority previously granted by the Board, the Executive Officer since the last meeting of the Board has approved rediscount rates of 4% on all classes of paper of all maturities established by the boards of directors of the Federal Reserve Bank of Richmond, effective April 11th; the Federal Reserve Bank of Atlanta, effective April 12th; the Federal Reserve Bank of St. Louis, effective April 12th; and the Federal Reserve Bank of Minneapolis, effective April 15th.

Upon motion, the 4% rates established by the directors of the four banks named were formally approved.

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The Assistant Secretary called attention to the fact that the board of directors of the Atlanta bank also approved the following schedule of purchase rates, effective April 12th:

Bankers Acceptances:		
1 to 120 days	-	3%
121 to 180 days	-	3 1/4%
Repurchase	-	3%
Government Securities:		
Repurchase	-	4%

Without objection, noted with approval.

Telegram dated April 9th from the Chairman of the Federal Reserve Bank of Boston, letter dated April 10th from the Secretary of the Federal Reserve Bank of New York, telegram dated April 9th from the Secretary of the Federal Reserve Bank of Cleveland and telegram dated April 10th from the Chairman of the Federal Reserve Bank of Kansas City, 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.

Matter approved on initials on April 12th, namely, application of the Commercial National Bank in Jefferson, Texas for original stock (15 shares) in the Federal Reserve Bank of Dallas, effective if and when the Comptroller of the Currency issues a certificate of authority to commence business.

Formally approved.

Matter approved on initials on April 14th, namely, application of the Union National Bank and Trust Company in Minot, North Dakota, for original stock (75 shares) in the Federal Reserve Bank of Minneapolis, effective if and when the Comptroller of the Currency issues a certificate of authority to commence business.

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Formally approved.

Matter approved on initials on April 14th, namely, request of the Caleb Heathcote Trust Company, Scarsdale, N. Y. for permission to purchase 40 shares of stock in the Corn Exchange Bank Trust Company of New York City.

Formally approved.

Report of Committee on Examinations on letter dated April 12th from the Federal Reserve Agent at Philadelphia, recommending that the Board grant permission to the Lansdale Title and Trust Company, Lansdale, Pa., and the Miners Deposit Bank and Trust Company, Lykens, Pa., for permission to hold 15 and 20 shares, respectively, of stock in the National City Bank of New York purchased inadvertently in violation of one of their conditions of membership in the Federal Reserve System.

Upon recommendation of the Committee on Examinations, it was voted to interpose no objection to the member banks holding the stock in question.

Memorandum dated April 9th from the Chief of the Division of Bank Operations, advising of the employment of Mr. David M. Kennedy at a salary of \$1800 per annum, effective April 11th, to fill the vacancy in the Division caused by the resignation of Mr. Meredith F. Foster.

The necessary authority having previously been granted, the appointment was noted.

Reports of Committee on Salaries and Expenditures on lists submitted by the Federal Reserve Banks of New York, Cleveland, Richmond, Kansas City and San Francisco, of employees for whom the directors of those banks authorized leaves of absence, with pay, on account of illness, during the month of March where the total of such absences since January 1, 1930 has exceeded

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thirty days; the Richmond directors having also voted to continue the payment of full salary to Miss Helen Faulhaber up to May 1, 1930.

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

At this point, Governor Harrison of the Federal Reserve Bank of New York joined the meeting and acquainted the Board in detail with business and financial conditions in various European countries as observed by him during a recent trip abroad. He reported discussions had with officers of various European central banks regarding conditions in their respective countries and internationally. The general impression, he stated, seems to be that there is no world shortage of capital but a very bad geographical distribution which is an important factor in the present business and commodity price depression, and that banks of issue should do all they can toward rehabilitating the long term money market and effecting a redistribution of capital, although their efforts must necessarily be directed to the short term money market in the hope that the maintenance of reasonable rates for short time money will gradually affect the long time investment market. Governor Harrison then discussed at some length the question of prospective international financing.

In this connection, the Governor presented a letter from the Undersecretary of the Treasury, transmitting copy of a memorandum on the question of operations to be undertaken by the Bank for International Settlements on the American market, prepared with a view to clarifying the various issues involved and to furnish a basis for agreement among those concerned.

At the Governor's suggestion, copies of the memorandum were ordered furnished to the members of the Board prior to

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discussion of the subject thereof at a meeting to be held tomorrow morning.

The Governor then referred to a proposed letter to the Chairman of the Board prepared for his signature in accordance with action at the meeting on April 8th. He stated that he did not believe the letter should be forwarded and, therefore, did not sign it; and that Vice Governor Platt, who presided at the meeting on April 8th, had signed but had not transmitted the letter due to the fact that the Chairman of the Board was absent from the city until Friday, the 11th, and further, because he was of the opinion that the inquiry made in the letter should receive further consideration by the Board.

At the suggestion of the Governor, it was voted to lay the proposed letter to the Chairman on the table.

REPORTS OF STANDING COMMITTEES:

- Dated, April 8th, 9th, 14th, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date. Recommendations approved.
- Dated, April 9th, 10th, 12th, 15th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date. Recommendations approved.
- Dated, April 9th, Recommending action on an application for admission of a State bank, subject to the conditions stated in the individual report attached to the application, as set forth in the Auxiliary Minute Book of this date. Recommendation approved.
- Dated, April 8th, Recommending approval of the application of Mr. Howard T. Hallowell for permission to serve at the same time as director of the Hatboro National Bank of Hatboro, Pa., and as director of the Jenkintown Bank and Trust Company, Jenkintown, Pa. Approved.
- Dated, April 8th, Recommending approval of the application of Mr. A. W. Witherspoon for permission to serve at the same time as director of the Old National Bank & Union Trust Company of Spokane, Wash., as director of the First National

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Trust & Savings Bank of Spokane, Wash. and as director of the First National Bank of Coeur d'Alene, Idaho.

Approved.

Dated, April 8th, Recommending approval of the application of Mr. A. W. Robertson for permission to serve at the same time as director of the Farmers Deposit National Bank of Pittsburgh, Pa., as director of the Potter Title & Trust Company of Pittsburgh, Pa., and as director of the Chase National Bank of the City of New York, N. Y.

Approved.

Dated, April 9th, Recommending approval of the application of Mr. Julius B. Smith for permission to serve at the same time as director of the Second National Bank of New Haven, Conn., and as director of the Waterbury National Bank of Waterbury, Conn.

Approved.

Dated, April 9th, Recommending approval of the application of Mr. F. W. Thomas for permission to serve at the same time as director of the Security National Bank of Laurel, Neb., and as director and officer of the First National Bank of Omaha, Neb.

Approved.

Dated, April 10th, Recommending approval of the application of Mr. Otto H. Kahn for permission to serve at the same time as director of the Chase National Bank of The City of New York, and as member of the firm of private bankers of Kuhn, Loeb & Company, New York City. (Effective if and when consolidation of Equitable Trust Company of New York City and the Chase National Bank takes place.)

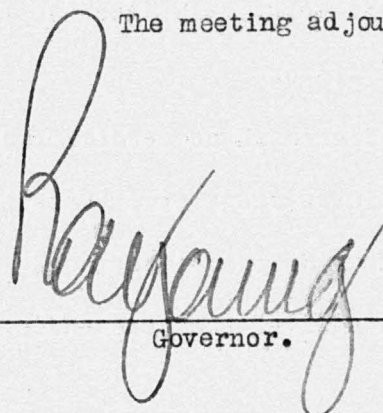
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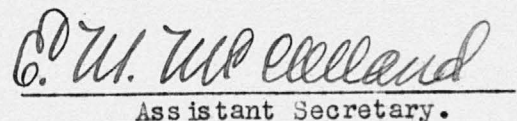
Dated, April 11th, Recommending approval of the application of Mr. Louis R. Wallack for permission to serve at the same time as director and officer of the Central Home Trust Company of Elizabeth, N. J., and as director and officer of the Hillside National Bank of Hillside, N. J.

Approved.

The meeting adjourned at 12:50 p.m.

Approved:

  
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Governor.

  
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Assistant Secretary.