

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, April 18, 1930 at 12:00 o'clock noon.

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

The Governor stated that he had called the meeting particularly for consideration of the following letter under date of April 17th received from the Governor of the Federal Reserve Bank of New York:

"Referring to my discussion yesterday with the Federal Reserve Board concerning a cable from Mr. McGarrah, dated April 11, a copy of which I left with the Board, our board of directors have today voted 'subject to the approval of the Federal Reserve Board, to authorize the officers to open and maintain a banking account on our books for the Bank for International Settlements and to carry out operations in this market for the Bank for International Settlements along the same general lines and subject to the same terms and conditions as we do for foreign central banks having accounts with us.' I shall very much appreciate your advising me whether the foregoing action of our directors meets with the approval of the Federal Reserve Board.

"You will no doubt recall that the first three paragraphs of Mr. McGarrah's cable ask whether the Federal Reserve Bank of New York wishes to object to certain proposed acts of the Bank for International Settlements in this market, relating principally to the sale and voting of its stock. I understood from my conversation with the Board that the transactions referred to in these three paragraphs were not of a character concerning which the Board would care to have an opportunity formally to express its objection and that this bank should feel free, without further reference to the Federal Reserve Board, not to voice any dissent in our reply to these paragraphs of Mr. McGarrah's cable. I mention this now merely to be sure that there is no question concerning my understanding of our conversations yesterday.

"In this connection our directors at their meeting today were of the opinion that there is no reason for this bank to express any dissent to the actions mentioned in these three paragraphs.

"I am planning, as agreed with the Board, to go to Washington Monday further to discuss the procedure to be followed by this bank vis-a-vis the Federal Reserve Board, if and when we are given an opportunity to express our dissent to a reparation bond issue in this market and hope that in view of the discussion which I have today had with our directors, following my meeting with the Federal Reserve Board yesterday, we shall be able to agree upon some mutually satisfactory formula."

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A discussion ensued at the conclusion of which, upon motion, it was voted to transmit the following telegraphic reply to Governor Harrison:

"Your letter 17th. Board wishes to give further consideration to action of your directors with reference to opening account mentioned before giving approval or disapproval. You are further advised that you were in error in thinking that Board had reached any conclusion regarding first three paragraphs of Mr. McGarrah's cable. Board's reluctance to express itself when you were here on Tuesday and Wednesday should not be interpreted as concurrence in your statements. Board will express itself when it has had more opportunity to go into all details and will be glad to see you Monday."

The minutes of the meetings of the Federal Reserve Board held on April 15th and 16th were then read and approved, as amended.

Mr. James then submitted a memorandum dated April 17th, reading as follows:

"In view of the conditions shown in the Federal Reserve Board press release for April 17th, 1930, showing condition of weekly reporting member banks, which discloses the fact that loans on securities to brokers and dealers by member banks is higher now than in any period excepting October 30th and November 6th, 1929, I wish to offer a motion that the Board give consideration to calling a meeting of the Open Market Policy Conference at an early date, with a view of arranging for the disposal of not less than fifty million Government securities."

After discussion, regarding the advisability of holding an early meeting of the Open Market Policy Conference, with the consent of Mr. James, action on his motion was deferred.

During the above discussion, Mr. Platt left the meeting.

Letter dated April 17th from the Secretary of the Federal Reserve Bank of New York, telegram dated April 16th from the Assistant Federal Reserve Agent at St. Louis and telegram dated April 17th 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 16th from the Chairman of the Federal Reserve Bank of Atlanta, advising that the board of directors of the bank has voted to participate in the Open Market Policy Conference under the plan recently approved by the Board; the letter also advising that the Governor of the Bank has been elected to represent it on the Conference and in the event of his inability to attend any meeting, the Executive Committee is authorized to appoint an alternate.

Noted.

Matter approved on initials on April 17th, namely, letter dated April 17th from the Comptroller of the Currency, recommending approval of increases in the salaries of Chief National Bank Examiners, as follows:

L. K. Roberts	-	From \$15,000	to	\$20,000
I. D. Wright	-	" 11,000	"	13,000
L. L. Madland	-	" 7,000	"	10,000

Formally approved.

Report of Committee on Examinations on letter dated April 16th from the Federal Reserve Agent at Philadelphia, recommending approval of applications for permission to hold certain bank stocks, filed by the Myerstown Trust Company, Myerstown, Pa., the Wildwood Title and Trust Company, Wildwood, N. J., and the Liberty State Bank and Trust Company, Mt. Carmel, Pa., all of which are subject to a condition of membership that except with the approval of the Board they will not acquire an interest in another bank or trust company through the purchase of stock in such other bank or trust company; the Board's Committee recommending that the permission requested be granted.

Approved.

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Telegram dated April 18th from the Federal Reserve Agent at Cleveland, requesting permission for a representative of that Bank to make the usual credit investigation, without charge, of the Newark Trust Company, Newark, Ohio, at the time that institution is under examination by State authorities.

Upon recommendation of the Committee on Examinations, the permission requested was granted.

Report of Committee on Salaries and Expenditures on list submitted by the Federal Reserve Bank of Atlanta, of employees for whom the directors of that bank 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 thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

Letter dated April 16th from the Chairman of the Federal Reserve Bank of Richmond, advising of the election of Mr. C. L. Cobb as director of the Charlotte Branch for the unexpired portion of the term of Mr. W. J. Roddey, resigned, ending December 31, 1932.

Noted.

Report of Committee on District #6 on letter dated April 18th from the Federal Reserve Agent at Atlanta, reporting, in accordance with a ruling made by the Board in February 1926, the employment of the firm of McKay, Withers and Ramsey, attorneys of Tampa, Florida, whose services will probably involve fees in excess of \$1,000, although so far they aggregate only \$764.

Upon recommendation of the Committee the matter was noted without objection.

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Letter dated April 16th from the Governor of the Federal Reserve Bank of New York, submitting the regular monthly compilation of the amount of short term funds held in New York for foreign account, aggregating \$2,420,706,000, as of March 31, 1930.

Ordered circulated.

The Assistant Secretary then referred to telegraphic communications exchanged with the Federal Reserve Agent at Chicago, with regard to an application for permission to exercise general fiduciary powers filed on behalf of the National Bank and Trust Company, Chariton, Iowa, which is being organized with a capital of \$100,000 and surplus of \$50,000, to take over the business of the Chariton and Lucas County National Bank and its affiliate, the Lucas County Trust and Savings Bank. He stated that the capital of the old banks will be used to eliminate actual and known losses, but that the new institution will have to take a deficiency note of from between \$150,000 and \$175,000 collateralized by unacceptable assets and about an equal amount of other slow assets, because of which the Federal Reserve Agent at Chicago is unwilling to recommend approval of the trust application. The Executive Committee of the Federal Reserve Bank, he stated, concurs in a recommendation of the Federal Reserve Agent that the application be granted only in so far as regards specific trusts now being handled by the Lucas County Trust and Savings Bank and that further action on the application be deferred until receipt of the next report of examination. He also stated that this action will probably not be satisfactory to the organizing bank which desires to open for business tomorrow with full powers.

After discussion, upon motion, it was voted, in accordance with the recommendation of the Executive Committee of the Chicago Bank, to grant permission to the National Bank and Trust Company of Chariton, Iowa, to act as trustee

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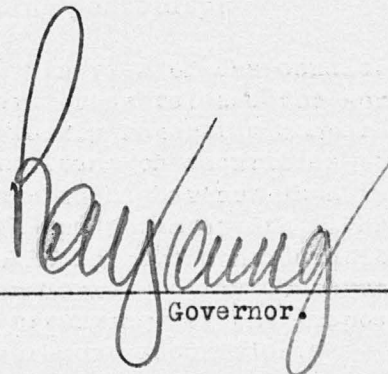
and executor only in specific trusts in which the Lucas County Trust and Savings Bank has heretofore been appointed and is now acting, such approval to be effective if and when the new National bank is authorized to commence business.

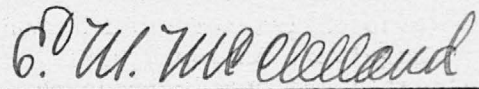
REPORTS OF STANDING COMMITTEES:

- Dated, April 18th, Recommending a change in stock at a Federal Reserve Bank as set forth in the Auxiliary Minute Book of this date.
Recommendation approved.
- Dated, April 15th, Recommending approval of the application of Mr. Floyd L. Carlisle for permission to serve at the same time as director of the National City Bank of New York, as director of the Northern New York Trust Company of Watertown, N. Y., and as director of the First and Second National Bank & Trust Company of Oswego, N. Y.
Approved.
- Dated, April 16th, Recommending approval of the application of Mr. John G. Maclean for permission to serve at the same time as director of the Bloomington-Lake National Bank of Minneapolis, Minn., and as officer of the First National Bank of Minneapolis, Minn.
Approved.
- Dated, April 16th, Recommending approval of the application of Mr. John N. Edlefsen for permission to serve at the same time as director and officer of The United States National Bank of Portland, Ore. and as director and officer of the Peninsula National Bank of Portland, Ore.
Approved.

The meeting adjourned at 1:15 p.m.

Approved:


Governor.


Assistant Secretary.