

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, April 24, 1930 at 11:30 a.m.

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

The Governor reported a telephone conversation this morning with Governor Harrison, during which he was advised that the directors of the New York bank on Monday discussed and at their meeting today will probably act to reduce the discount rate of the bank to 3% and to request approval of a reduction in their minimum buying rate to 2 1/2%. Governor Harrison stated that as he was not present at the meeting on Monday he had not had much opportunity to consider the matter, but was passing it on for information of the Board.

During the discussion which ensued, Dr. Goldenweiser, Director of the Division of Research and Statistics, was called into the meeting.

At the conclusion of the discussion, the Governor again talked over the telephone with Governor Harrison and advised him that there is some feeling on the part of the Board that the matter might well go over for awhile, particularly in view of the recommendation of the recent meeting of the Open Market Policy Conference and the fact that another meeting of the Conference is in contemplation early in May. He reported to the Board that he agreed with Governor Harrison, however, that no board of directors should be denied the right to express itself by affirmative action.

The minutes of the meeting of the Federal Reserve Board held on April 22nd were then read and approved.

Telegram dated April 23rd from the Chairman of the Federal Reserve

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Bank of Boston, advising that the board of directors at a meeting on that date made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Letter dated April 22nd from the Federal Reserve Agent at Boston, transmitting copy of a resolution adopted by the Boston Clearing House Association, relating to interest on deposits to be paid by Clearing House banks, effective May 1, 1930.

Noted.

At 1:15 p.m., the meeting recessed and reconvened at 2:45 p.m., the same members being present as attended the morning session and in addition the Comptroller of the Currency.

The Governor reported advice received from Governor Harrison that the directors of the Federal Reserve Bank of New York present at the meeting today unanimously voted to establish a rediscount rate of 3% on all classes of paper of all maturities, with the understanding, however, that their action is predicated upon approval or disapproval by the Federal Reserve Board today, and also voted to request approval by the Board of a minimum buying rate of 2 1/2% with the idea of putting into effect a rate of 2 3/4% if the discount rate is reduced to 3%.

The Governor reported the substance of a statement made to him by Governor Harrison over the telephone of the reasons which had led the Board of Directors of the New York bank to vote a reduction of its discount rate. The reasons had mainly to do with national and international conditions, such as the trend of business, commodity prices both in America and in Europe, money rates, the foreign

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exchanges and gold movements.

Further discussion of the national economic and credit situation ensued, which developed a considerable variance of opinion between the New York Bank and the Federal Reserve Board with regard to Federal Reserve policy. It appeared that some of the members of the Board were still of the same opinion with regard to factors and conditions affecting Federal Reserve policy as they were at the time the Board began to consider a meeting of the Open Market Policy Conference early in May - to the effect that the immediate objective in credit policy should be the maintenance of stability rather than further easing through Federal Reserve action.

Mr. James moved that the rate of 3%, established by the New York directors, be taken under review.

Mr. Platt moved, as a substitute, that the Federal Reserve Bank of New York be advised that the Federal Reserve Board has received the advice that the directors of that bank have established a rediscount rate of 3%, with the understanding, however, that their action is predicated upon approval or disapproval by the Federal Reserve Board today, and that the Board disapproves the action of the New York directors and has determined that the rate of the bank be 3 1/2%.

Mr. Platt's substitute motion, being put by the Chair, was unanimously carried.

Mr. Pole then left the meeting.

The Governor advised Governor Harrison over the telephone of the action taken by the Board.

Discussion regarding the bill rate then ensued and Mr. Platt moved that a minimum buying rate of 2 1/2% be approved by the Board as requested by the New York directors.

At the conclusion of the discussion, by unanimous

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agreement, action on Mr. Platt's motion was deferred until a later meeting of the Board.

REPORTS OF STANDING COMMITTEES:

- Dated, April 23rd, 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 22nd, Recommending approval of the application of Mr. John E. Thayer, Jr., for permission to serve at the same time as director of the National Rockland Bank of Boston, Mass., and as director of the Worcester County National Bank of Worcester, Mass.  
Approved.
- Dated, April 23rd, Recommending approval of the application of Mr. A. E. Carlton for permission to serve at the same time as director and officer of the First National Bank of Cripple Creek, Colo. and as director of the First National Bank of Colorado Springs, Colo.  
Approved.
- Dated, April 23rd, Recommending approval of the application of Mr. J. Mayhew Wainwright for permission to serve at the same time as director of The Rye National Bank of Rye, New York, as director of the Mutual Trust Company of Westchester County, Port Chester, N. Y., and as director of the Westchester Title & Trust Company of White Plains, New York.  
Approved.
- Dated, April 23rd, Recommending approval of the application of Mr. Nathan Strauss for permission to serve at the same time as director of the Brooklyn National Bank of New York, Brooklyn, New York, and as director of the Union Bank of Bronx County, Bronx, New York.  
Approved.
- Dated, April 23rd, Recommending approval of the application of Mr. F. J. Campbell for permission to serve at the same time as director and officer of the First National Bank of Horseheads, New York, and as director of the First National Bank & Trust Company of Elmira, New York.  
Approved.
- Dated, April 23rd, Recommending approval of the application of Mr. P. A. Rowley for permission to serve at the same time as director of the Central National Bank of New York, N. Y., as director and officer of the Bank of Manhattan Trust Company of New York, N. Y., and as director of the International Acceptance Bank, Inc., New York, N. Y.  
Approved.
- Dated, April 23rd, Recommending approval of the application of Mr. Clarence E. Killinger for permission to serve at the same time as director of the First National Bank & Trust Company, Elmira,

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REPORTS OF STANDING COMMITTEES: (Cont'd)

N..Y., and as director and officer of the South Side National Bank of Elmira, N. Y.

Approved.

Dated, April 23rd, Recommending approval of the application of Mr. W. H. O'Neil for permission to serve at the same time as officer of the South Side National Bank of Elmira, N. Y., and as officer of the First National Bank & Trust Company of Elmira, N. Y.

Approved.

Dated, April 23rd, Recommending approval of the application of Mr. Roy B. Delo for permission to serve at the same time as director of the South Side National Bank of Elmira, N. Y., and as officer of the First National Bank & Trust Company of Elmira, N. Y.

Approved.

Dated, April 23rd, Recommending approval of the application of Mr. W. G. Sweet for permission to serve at the same time as director of the First National Bank & Trust Company of Elmira, N. Y., and as director and officer of the South Side National Bank of Elmira, N. Y.

Approved.

Dated, April 24th, Recommending approval of the application of Mr. H. M. Bucklin for permission to serve at the same time as director of the Central National Bank of New York, N. Y., and as officer of the Bank of Manhattan Trust Company of New York, N. Y.

Approved.

The meeting adjourned at 4:00 p.m.

*C. W. The*  
Assistant Secretary.

Approved:

*Raymond*  
Governor.