

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, June 4, 1930 at 12:00 o'clock noon.

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

The minutes of the meetings of the Federal Reserve Board held on May 29th and June 2nd were read and approved.

The minutes of the meeting of the Board held on June 3rd were read and approved as amended.

The Governor then reported that he has advised the Undersecretary of the Treasury that the Board will not use the 11,000 square feet of space allotted to it in the Annex Building inasmuch as this space will not accommodate the Divisions of Bank Operations and Research and Statistics in their entirety and it is not practicable to separate the Divisions. At his request his action was ratified. He then requested that the Committee on Salaries and Expenditures negotiate with the owners of the Otis Building, where the Divisions are now housed, and report to the Board the terms on which a new lease can be arranged.

Telegram dated June 3rd from Deputy Governor Kenzel of the Federal Reserve Bank of New York, advising of the establishment of the following schedule of rates for purchases of bankers acceptances:

1 to 45 days	-	2 3/8%
46 to 120 days	-	2 1/2%
121 to 180 days	-	3%
Repurchase	-	2 1/2%

Without objection, noted with approval.

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Telegrams dated June 3rd from the Chairman of the Federal Reserve Bank of Chicago, the Governor of the Federal Reserve Bank of St. Louis and the Secretary of the Federal Reserve Bank of Minneapolis, advising of the establishment of the following schedule of rates for purchases of bankers acceptances:

1 to 45 days	-	2 3/8%
46 to 120 days	-	2 1/2%
121 to 180 days	-	3%

Without objection, noted with approval.

Telegram dated June 3rd from the Chairman of the Federal Reserve Bank of San Francisco, advising of the establishment of the following rates for purchases of bankers acceptances:

1 to 45 days	-	2 3/8%
46 to 120 days	-	2 1/2%
121 to 180 days	-	3%
Repurchase	-	2 1/2%

Without objection, noted with approval.

The Assistant Secretary called attention to the fact that in the above telegram the Chairman of the San Francisco bank also advises that the Executive Committee has voted to establish a minimum buying rate of 2 1/4% for purchases of acceptances.

Approved.

Telegram dated June 4th from the Chairman of the Federal Reserve Bank of Richmond, advising of the establishment of the following rates for purchases of bankers acceptances:

1 to 45 days	-	2 1/2%
46 to 120 days	-	2 5/8%
121 to 180 days	-	3 1/8%

Without objection, noted with approval.

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Telegram dated June 4th from the Chairman of the Federal Reserve Bank of Philadelphia, advising that the board of directors at a meeting on that dated made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Report of Committee on Salaries and Expenditures on letter dated May 29th from the Federal Reserve Agent at Chicago, recommending approval of an increase from \$3600 to \$4000 per annum, effective July 1st, in the salary of Mr. John H. Martin, who is being transferred from the Credit Department to the Examination Department of the bank; the Board's Committee also recommending approval.

Approved.

Report of Executive Committee on letter dated June 3rd from the Comptroller of the Currency, recommending approval of an increase from \$2700 to \$4200 per annum in the salary of National Bank Examiner B. P. Rial; the Board's Committee also recommending approval.

Approved.

Letter dated June 2nd from the Assistant Federal Reserve Agent at New York, advising that at the close of business May 1, 1930 (1) The Interstate Trust Company and the Equitable Trust Company, both of New York City, consolidated into the Chase National Bank of the City of New York under the charter and name of the latter; (2) The Rugby National Bank of Brooklyn in New York was placed in voluntary liquidation and absorbed by the Globe Bank and Trust Company of Brooklyn, a member bank; and (3) The Utica National Bank and Trust Company was placed in voluntary liquidation and

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merged into the Citizens Trust Company of Utica, a member bank.

Noted.

Letter dated May 28th from Deputy Governor Burgess of the Federal Reserve Bank of New York, advising of operations and conditions in the bill and Government security market during the preceding week.

Noted.

Letter dated June 3rd from the Chairman of the Federal Reserve Bank of New York, with further reference to acceptance by Mr. Ray M. Gidney, Assistant Deputy Governor of the bank, of appointment as a member of the Board of Education of Ridgewood, N. J., and his possible future candidacy for that office; the letter advising that the New York directors feel that it would be consistent with the spirit of the ruling contained in the Board's circular of December 27, 1915 for Mr. Gidney to accept the appointment and also for him to stand for election at the close of the appointive term in February 1931, if, as Mr. Gidney says, has been the case with such elections in the past, it will be perfunctory and without competition and free from party politics. The Chairman also advised that his directors requested that the matter of Mr. Gidney's standing for election be presented to them again shortly before the date of the election, so that they could have another opportunity to pass upon it in the light of the then existing circumstances.

Upon motion, it was voted to interpose no objection to Mr. Gidney's accepting appointment as a member of the Board of Education of Ridgewood, for the unexpired term ending February 1931 and standing for election at the end of that term if the New York directors, after reviewing the matter shortly before the election, consider that this will not be contrary to the spirit of the Board's ruling.

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Memorandum from Counsel dated June 2nd, submitting draft of letter to the Federal Reserve Agent at Chicago with reference to service of Mr. O. W. Higley of the Bank of America National Association of New York City and the Chicago Trust Company, Chicago, Illinois; the proposed letter stating that it is not entirely clear that the Chicago Trust Company is doing no commercial banking business and comes within an exception to the Clayton Act, as suggested by the Federal Reserve Agent, that Mr. Higley should, therefore, file an application for permission to serve the Chicago Trust Company and any other banks he may desire, and that if he feels that the Chicago Trust Company does come within an exception to the Clayton Act, he should submit with his application a full and detailed description of the character of the deposits received and the nature of loans made by the trust company.

Upon motion, the letter submitted by Counsel was approved.

Memorandum from Counsel dated June 2nd, submitting draft of letter to the Federal Reserve Agent at San Francisco, in reply to certain inquiries made by him with regard to the uniform plan of designation of officers by member banks to vote in elections of Class A and B Directors of Federal Reserve banks; the letter pointing out that some of the inquiries were answered by a recent circular letter of the Board and setting forth information regarding other questions raised.

Upon motion, the letter was approved.

Memorandum from Counsel dated June 3rd, submitting draft of reply to an inquiry received from the Deputy Governor of the Federal Reserve Bank of Kansas City whether notes of farmers given to dealers in connection with

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the purchase of farm implements may be classified as agricultural paper for purposes of rediscount and as commercial or business paper under the provisions of Section 5200 of the Revised Statutes limiting loans by a National bank to one person and also under the recent amendment to Section 13 making the limitations on the rediscount of paper of one borrower conform to Section 5200; Counsel recommending that before the proposed reply is transmitted it be referred to the Comptroller of the Currency, inasmuch as it necessarily involves an interpretation of Section 5200.

Upon motion, a letter to the Comptroller of the Currency, prepared by Counsel was approved.

REPORTS OF STANDING COMMITTEES:

Dated, June 3rd, Recommending approval of the application of Mr. B. M. Winston for permission to serve at the same time as director of The Terminal National Bank of Chicago, Ill., as director of the Madison-Kedzie Trust & Savings Bank of Chicago, Ill., and as director of the Lake Shore Trust & Savings Bank of Chicago, Ill.

Approved.

Dated, June 3rd, Recommending approval of the application of Mr. Frank L. Cooper for permission to serve at the same time as director of the Peoples Bank & Trust Company of Seattle, Wash., and as director and officer of the Citizens Security National Bank of Everett, Wash.

Approved.

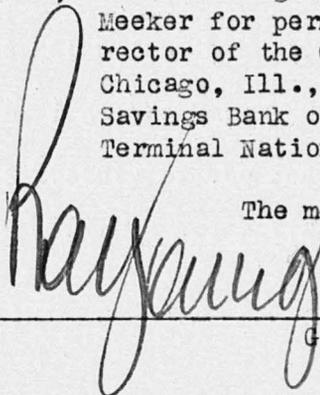
Dated, June 4th, Recommending approval of the application of Mr. Harold Benjamin Clark for permission to serve at the same time as member of the firm of private bankers doing business under the name of White, Weld and Company of New York, N. Y., and as director of The Chase National Bank of the City of New York, N. Y.

Approved.

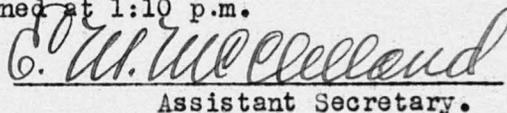
Dated, June 4th, Recommending approval of the application of Mr. Arthur Meeker for permission to serve at the same time as director of the Central Manufacturing District Bank of Chicago, Ill., as director of the Lake Shore Trust and Savings Bank of Chicago, Ill., and as director of the Terminal National Bank of Chicago, Ill.

The meeting adjourned at 1:10 p.m.

Approved:



Governor.



Assistant Secretary.