

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, July 1, 1930 at 10:45 a.m.

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

Letter dated June 26th from the Secretary of the Federal Reserve Bank of New York, telegram dated June 27th from the Chairman of the Federal Reserve Bank of Chicago, and telegram dated June 25th from the Secretary 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 yesterday, namely, request of the Federal Reserve Bank of Chicago for authority to reduce the minimum buying rate of the bank for purchases of bankers acceptances from 2% to 1 3/4%.

Upon motion, the minimum buying rate of 1 3/4% was formally approved, Mr. James concurring in the following statement made by Mr. Cunningham:

"In view of the past attitude of the Federal Reserve Board on the question of bill rates (with which I was not entirely in harmony and for which I have not voted during the recent past) and rather than cause delay in the granting of the reduction requested by the Chicago Bank or require that the members now absent on vacation return to Washington, I vote to approve the reduction to 1 3/4 per cent requested by the Chicago Bank in its minimum buying rate, knowing as I do that a majority of the Board would favor the reduction if there were a majority present.

"Ordinarily it has been the policy of the Board as we approach the season for crop movements to offer aid through a reduction in bill rates, so that in voting approval of the Chicago reduction I do so as a matter of courtesy to the absent members of the Board and also because I realize that I would favor a reduction in bill rates just as soon as the seasonal demand for credit begins."

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Telegrams dated June 30th from Deputy Governor Kenzel of the Federal Reserve Bank of New York and Deputy Governor Paddock of the Federal Reserve Bank of Boston, advising of the establishment of the following schedule of buying rates on bankers acceptances:

1 to 45 days	-	1 7/8%
46 to 90 days	-	2%
91 to 120 days	-	2 1/8%
121 to 180 days	-	2 3/8%
Repurchase	-	2%

Without objection, noted with approval.

Telegrams dated July 1st from the Chairman of the Federal Reserve Bank of Chicago and June 30th from the Chairman of the Federal Reserve Bank of St. Louis, both advising of the establishment of the following schedule of rates for purchases of bankers acceptances:

1 to 45 days	-	1 7/8%
46 to 90 days	-	2%
91 to 120 days	-	2 1/8%
121 to 180 days	-	2 3/8%

Without objection, noted with approval.

Telegram dated June 30th 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%
46 to 90 days	-	2 1/8%
91 to 120 days	-	2 1/4%
121 to 180 days	-	2 1/2%

Without objection, noted with approval.

Letter dated June 27th from Deputy Governor Burgess of the Federal Reserve Bank of New York, reviewing conditions and operations in the Govern-

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ment securities and bill markets during the week ending June 27th.

Noted.

Matter approved on initials on June 30th, namely, request of the Federal Reserve Agent at Cleveland for permission to make the usual credit investigation, without charge, of The State Bank, Bowling Green, Ohio, at the time it is under examination by State authorities.

Formally approved.

Matter approved on initials on June 26th, namely, recommendation of the Federal Reserve Agent at San Francisco, that the salary of Mr. Oliver P. Wheeler, recently appointed Acting Assistant Federal Reserve Agent, be increased from \$4,500 to \$5,000 per annum, effective July 1st.

Formally approved.

Matter approved on initials on June 30th, namely, letter dated June 27th from the Governor of the Federal Reserve Bank of Richmond, advising that the low bidder on the proposed addition to the building of that bank was the J. A. Jones Construction Company of Charlotte, N. C., whose bid, with a correction for alternates, amounted to \$552,157; the letter stating that this bid does not include certain work such as elevators, coin lifts, metal screens for the building and a few other incidental items, and requesting that the Richmond bank be authorized to proceed with the erection of the proposed addition on the basis of a complete budget, including the general contract and these items, but excluding architects' fees, amounting to \$638,557.

Upon motion, the action taken on initials in authorizing the Richmond bank to proceed was formally concurred in by the Committee.



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Matter approved on initials on June 27th, namely, letter to all Federal Reserve banks, prepared by Counsel, requesting comments or suggestions on certain proposed amendments to Regulation J, recommended by the recent Conference of Counsel of the Federal Reserve banks.

Formally approved.

Memorandum dated June 30th, approved by the Assistant Secretary, requesting authority for the employment of an additional man on the night force of the Gold Settlement Division.

Approved.

Telegram dated June 26th from the Chairman of the Federal Reserve Bank of Boston, advising of the death on that date of Mr. Charles H. Manchester, Class C Director of the bank.

Noted, with regret.

Upon motion, the matter of the appointment of a successor was referred to the Committee on District #1 and the Assistant Secretary was directed to request Mr. Hamlin, who is now in Boston, to take the matter up while there.

Report of Committee on Salaries and Expenditures on list submitted by the Federal Reserve Bank of Chicago, of employees for whom the directors of that bank authorized leaves of absence with pay, on account of illness, during the period May 23rd to June 26th, 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.

Report of Committee on Examinations on letter dated June 25th from

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the Federal Reserve Agent at Philadelphia, recommending a further extension until July 1, 1931 of the time in which the Lycoming Trust Company, Williamsport, Pa. may dispose of a certain parcel of real estate, in accordance with one of the conditions under which it was admitted to membership in the System; the Board's Committee also recommending approval.

Approved.

Report of Committee on Examinations on letter dated June 25th from the Federal Reserve Agent at Atlanta, transmitting with the favorable recommendation of the executive committee of that bank, an application of the Peoples Bank of Evergreen, Ala., for permission to consolidate with the First National Bank of Evergreen under the charter and title of the State member bank; the Board's Committee also recommending approval.

Approved.

Draft of reply to letter dated June 14th from the Assistant Federal Reserve Agent at Cleveland, with regard to the interlocking directorates of Mr. J. H. Hillman, Jr.; the proposed reply advising that there is no way in which Mr. Hillman may lawfully continue to serve all four of the banks in Pittsburgh with which he is now connected.

Upon motion, the proposed letter was approved.

Memorandum from Counsel dated July 1st, recommending that there be published in the Federal Reserve Bulletin the ruling approved by the Board on June 25th, with reference to the effect of consolidations on Clayton Act permits.

Approved.

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Memorandum from Counsel dated June 24th, advising formally of the passage by the House of Representatives of four bills previously passed by the Senate, three of which were recommended by the Board and one by the Comptroller of the Currency, i. e., S. 485 amending Section 9 so as to make it discretionary with the Board to assess the costs of examining State member banks; S. 4096, to amend Section 4 to clarify the meaning of the phrase "electors voting" in the provision regarding the election of Federal Reserve Bank directors; S. 3627, authorizing the voluntary surrender of trust powers by National banks; and S. 486, specifically authorizing National banks receiving deposits of public funds from states and municipalities to pledge securities to secure such deposits.

The Assistant Secretary reported that these bills were approved by the President on June 26th and copies have been forwarded to all Federal Reserve banks for their information.

Memorandum from Counsel dated June 26th quoting a resolution (S.R. 305) introduced by Senator Glass, with further reference to the practice of the State Department to pass upon foreign loans in this country and the Department's alleged interference with the Federal Reserve System in the same connection.

Ordered circulated.

Memorandum from Counsel dated June 23rd, submitting and commenting upon S. 4723, a bill introduced by Senator Glass to amend the provisions of the National Bank Act and the Federal Reserve Act in a number of respects.

Ordered circulated and copies sent to the Federal Reserve banks.



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Memorandum from Counsel dated June 24th, submitting draft of reply to an inquiry made by the General Accounting Office as to why the agreement for the lease of space in the Otis Building, covering a period of six months from May 1, 1930, was not executed on the standard form of Government lease.

Approved.

Memorandum from Counsel dated June 24th, submitting draft of letter to the Federal Reserve Agent at St. Louis, in reply to an inquiry whether certain monies paid into a United States District Court by private parties pending the outcome of litigation between them and deposited by the court in a member bank are Government deposits and, therefore, exempt from reserve requirements; the proposed reply answering in the negative.

Approved.

REPORTS OF STANDING COMMITTEES:

Dated, June 26th, 27th, 30th, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date.  
Recommendations approved.

Dated, June 27th, 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, May 13th, Recommending approval of the application of Mr. Rawleigh Warner for permission to serve at the same time as director of the Central Trust Company of Illinois, Chicago, Ill., as director of The Drovers National Bank, Chicago, Ill., and as director of the City National Bank & Trust Company of Evanston, Ill.

Approved.

Dated, June 24th, Recommending approval of the application of Mr. Charles R. Walgreen for permission to serve at the same time as director of the First National Bank of Chicago, Ill., and as director of the Dixon National Bank of Dixon, Ill.

Approved.

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, June 24th, Recommending approval of the application of Mr. Charles B. Veghte for permission to serve at the same time as director of the New Jersey National Bank & Trust Company of Newark, N. J., as director of the First National Bank of Sayreville, N. J., and as director and officer of the New Brunswick Trust Company of New Brunswick, N. J.

Approved.

Dated, June 27th, Recommending approval of the application of Mr. John B. Byrne for permission to serve at the same time as director and officer of the Hartford-Connecticut Trust Company, Hartford, Conn., as director of the First National Bank of Middletown, Conn., and as director of the First National Bank of Meriden, Conn.

Approved.

The meeting adjourned at 11:45 a.m.

C. W. McCalland  
Assistant Secretary.

Approved:

Edmund Platt  
Vice Governor.