

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, September 18, 1930 at 11:45 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on September 17th were read and approved, as amended.

There was some discussion regarding the adoption of resolutions by the Board incident to the retirement of members. It was the consensus of opinion that such action is not advisable and that the matter could best be handled through an amendment to the by-laws. Thereupon, the Governor requested Mr. Miller to prepare an appropriate amendment.

Telegram dated September 17th from the Chairman of the Federal Reserve Bank of St. Louis, 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.

Memorandum dated September 17th from the Chief of the Division of Bank Operations, transmitting a statement of expenditures of the Federal Reserve banks for educational and welfare work, etc. during the month of August, 1930, and for the eight months ending August 31st.

Ordered circulated.

Letter dated September 15th from the Assistant Federal Reserve Agent at Minneapolis, reporting, in accordance with Section IV of Regulation D, that the First National Bank of Garrison, N. D., has been deficient in average

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reserves for each computation period during six consecutive months ending August 31st; the Assistant Agent recommending, after consultation with the Chief National Bank Examiner, that the Board take no action in the case, pending the outcome of efforts to reorganize or sell the bank, which will be made within the next two weeks.

Noted, with approval.

Memorandum dated September 18th from the Assistant Secretary, recommending that the Board grant leave of absence with pay, on account of illness, for one month from September 22nd to Lafayette Washington, of the messenger staff.

Approved.

Letter dated September 16th from the Chairman of the Federal Reserve Bank of Cleveland, requesting that any members of the Board who attend the convention of the American Bankers Association in Cleveland, September 28th to October 2nd, avail themselves of the conveniences of the bank.

Noted.

Memorandum dated September 17th from Counsel, submitting draft of reply to letter from the Federal Reserve Agent at St. Louis, advising that a recent report of examination of the Bank of Versailles, Missouri, discloses that it has on deposit with a nonmember bank an amount in excess of 10% of its own capital and surplus, unless it be considered that the net amount of such deposit is reduced by a deposit of the nonmember bank with the Bank of Versailles; the proposed reply advising that the amount of a deposit of a member bank with a nonmember under Section 19 of the Federal Reserve Act is

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to be determined without regard to a deposit of the nonmember institution with the member bank and that, accordingly, the deposit of the Bank of Versailles is in excess of the limitation of the law.

Upon motion, the letter submitted by Counsel was approved.

Report of Committee on Examinations on letter dated September 16th from the Assistant Federal Reserve Agent at New York, advising that the Discount Committee of the bank recommends approval of a proposed merger of the Downtown Trust Company, Elizabeth, N. J. with the Peoples Banking and Trust Company of Elizabeth, a nonmember, provided the entire depreciation in the stock and bond investments of the Downtown Trust Company are charged off at the time of the merger; the Board's Committee concurring in this recommendation.

Upon motion, the recommendation was approved.

REPORT OF STANDING COMMITTEE:

Dated, September 18th, Recommending approval of the application of Mr. J. Fletcher Farrell for permission to serve at the same time as director of the Continental Illinois Bank & Trust Company of Chicago, Ill., and as director of the Harriman National Bank & Trust Company of New York, N. Y.

Approved.

The meeting adjourned at 12:25 p.m.

C. W. Woodland
Assistant Secretary.

Approved:

W. M. Keyes
Governor.