

A meeting of the Federal Reserve Board with the members of the Conferences of Governors and Federal Reserve Agents was held in the office of the Federal Reserve Board on Wednesday, September 24, 1930, at 10:30 a. m.

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

The Governor first welcomed the members of the Governors' and Federal Reserve Agents' Conferences, expressing the Board's appreciation of the arrangements made by them incident to the advancing of the date for their meetings.

He then referred to the preliminary conference held yesterday with representatives of the Federal Reserve Banks of Richmond, Atlanta, St. Louis, Kansas City and Dallas, with a view to considering agricultural conditions in the southern territory and stated that the financing of the marketing of agricultural commodities was the substance of the discussion. He advised that it was the feeling of the preliminary meeting that a public statement should be made and that Governors Talley and Black had been appointed a committee to work out a suggested form of statement. Although it has not yet been formally considered by the Board, he requested Governor Talley to read to the conferences the statement prepared by him and Governor Black, as follows:

"Today, at the first session of the regular fall joint conference of the Governors and Chairmen of the twelve Federal Reserve Banks with the Federal Reserve Board, there was a full presentation of the agricultural situation in the nation. Reports were made covering the status of every agricultural commodity in each of the twelve Federal Reserve Districts and the financing and marketing of these commodities.

"From these reports it was clear that in each of the twelve Federal Reserve Districts there exist ample credit facilities at reasonable interest rates for the movement and carrying of all of these crops. The reports also indicated that these credit facilities are being amply supplied by the banks and other agencies interested in the orderly marketing of agricultural commodities. The twelve Federal Reserve Banks, through discounts for member banks, through loans to the Federal Intermediate Credit Banks upon agricultural paper of co-operative associations, and through the purchase of bankers' acceptances covering agricultural commodities, have been and are furnishing their every credit assistance in the marketing of the nation's crops. The Federal Reserve Banks freely expressed their responsibilities toward the agricultural interests of the nation and were fully alive to their opportunity for service.

"It was the sense and unanimous resolution of the representatives of the twelve Federal Reserve Banks that the extension of credit to facilitate the orderly marketing of crops and live stock is a normal and proper function of the Federal Reserve Banks and that these banks should continue their present credit assistance in such marketing and that their efforts should be increased by handling freely and carrying paper secured by agricultural commodities, and that all required facilities of the Reserve Banks should and would be put behind the orderly marketing of the nation's crops.

"In this resolution the Federal Reserve Board unanimously concurred."

Governor Talley expressed the opinion that the statement should be revised before issuance so as to make it more clearly a statement of the Federal Reserve Board, instead of, as it now appears, a statement emanating from the Conference of Governors and Federal Reserve Agents.

There was some general discussion during which Governor Harrison suggested that whereas the present draft of the statement relates solely to agricultural commodities, some reference should be made to business in general so as not to give the impression that industry is not being given consideration along with agriculture.

The Governor then stated that the Board would give consideration to

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the draft prepared by Governors Talley and Black, make whatever revision appears to it to be necessary and before final adoption resubmit it to the Conferences of Governors and Federal Reserve Agents for comment.

Whereupon, the joint meeting adjourned, the members of the Board, with the exception of Mr. Pole, convening immediately in the office of the Governor.

Consideration was given to a revision of the proposed statement submitted by Mr. Miller.

After general discussion, the Board made some minor amendments to the revised draft and voted to refer it to the Conferences of Governors and Federal Reserve Agents in the following form:

"At a preliminary conference held in connection with the regular fall meeting of the governors and chairmen of the twelve Federal reserve banks with the Federal Reserve Board, a comprehensive review was made of the agricultural situation throughout the country. Reports were made covering the status of agricultural staples in each of the Federal reserve districts and there was particular discussion of the conditions affecting their marketing and financing.

"The Board was assured and satisfied that in each of the twelve Federal reserve districts ample credit facilities are available for financing the marketing of the crops, and that such facilities are being provided by the banks and other agencies concerned in the orderly marketing of agricultural commodities. The twelve Federal reserve banks through rediscounts for their member banks, loans to Intermediate Credit Banks on agricultural paper of cooperative associations and purchases of bankers' acceptances covering agricultural commodities, are making their resources available for the marketing of the country's crops at the lowest rates in the history of the System.



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"It was the view of the conference that the extension of credit to support the orderly marketing of crops - at all times an important function of the Federal reserve banks - is of special importance in the present situation. To that end, the Federal Reserve Board was assured, the banks will continue their efforts to acquaint their communities with the facilities of the System and the disposition of the management of the banks to meet the problems connected with the marketing of the crops at the present time."

During the discussion of the above matter, the Governor received word from Mr. Curtiss, Chairman of the Federal Reserve Agents' Conference, that the Federal Reserve Agents had voted to request that when the Board meets with the Open Market Policy Conference for the purpose of receiving the report of that conference, the Federal Reserve Agents be invited into the meeting.

It was the consensus of opinion that the Governor, when advised that the Open Market Policy Conference is prepared to report to the Board, should make arrangements to include the Federal Reserve Agents in the meeting.

At 11:55 a.m. the Board recessed and reconvened at 12:45 p.m. when the Governor presented suggestions by the Conferences of Governors and Federal Reserve Agents for changes in the public statement to be issued by the Board.

The various suggestions were considered and certain of them were adopted, with the result that the statement was approved for release in the following form:

"At a preliminary conference held by the Federal Reserve Board in connection with the regular fall meeting of the governors and chairmen of the twelve Federal reserve banks, a comprehensive review was made of the agricultural, general economic and credit situation throughout the country. Being the season of usual marketing of the country's crops,

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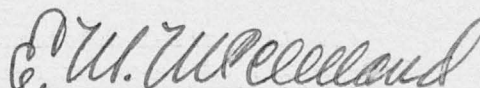
reports were made with particular reference to the status of agricultural staples in each of the Federal reserve districts and there was special discussion of the conditions affecting their marketing and financing.

"The Board was assured and satisfied that in each of the twelve Federal reserve districts ample credit facilities are available for financing the marketing of the crops, and that such facilities are being provided by the banks and other agencies concerned in the orderly marketing of agricultural commodities. The twelve Federal reserve banks through rediscounts for their member banks, loans to Federal Intermediate Credit Banks on agricultural paper of cooperative associations and purchases of bankers' acceptances covering agricultural commodities, are making their resources available for the marketing of the country's crops at the lowest rates in the history of the System.

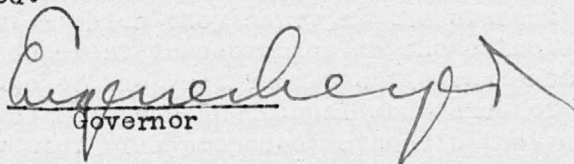
"It was the view of the conference that the extension of credit to support the orderly marketing of crops - at all times an important function of the Federal reserve banks - is of special importance at the present time. To that end, the Federal Reserve Board was assured that the Federal reserve banks will continue their efforts to acquaint their communities with the facilities of the System and the disposition of the management of those banks to meet the problems connected with the marketing of the crops."

The Governor directed that the statement in the above form be issued to the press at 3:00 o'clock today.

Adjourned at 1:10 p.m.

  
Assistant Secretary

Approved:

  
Governor