

A meeting of the Federal Reserve Board was held in the office of the Governor on Thursday, October 16, 1930, at 11:15 a. m.

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

The minutes of the meeting of the Federal Reserve Board held on October 15th were read and approved.

Mr. Miller then submitted to the Board the question of a postponement of the next meeting of the Federal Advisory Council from November 17 - 18 to November 24 - 25, to afford the members of the Council an opportunity to meet with Dr. Luther, recently elected President of the Reichsbank, who is expected in Washington at that time.

There being no objection, Mr. Miller was authorized to advise Mr. McKinney, President of the Federal Advisory Council, that a postponement will be agreeable to the Board should the Council wish to arrange a meeting with Dr. Luther.

Telegram dated October 15th, from the Chairman of the Federal Reserve Bank of St. Louis, advising that the board of directors at a meeting on that day made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

The Assistant Secretary reported that the designation of Mr. John T. Simmons as Second Alternate Vault Clerk, in connection with the custody of Federal Reserve notes at the Bureau of Engraving and Printing, has been cancelled by the Secretary of the Treasury and that Mr. Fred M. Propst has been designated to succeed him.

Noted.

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Letter dated October 8th from the Federal Reserve Agent at Philadelphia, advising of the acquisition by the Cambridge Trust Company, Chester, Pennsylvania, a member institution, of the Chester National Bank; the purchase having been made effective at the close of business October 4th and involving a change in the title of the member bank to "Chester-Cambridge Bank and Trust Company."

Noted.

Memorandum dated October 14th from the Comptroller of the Currency with regard to the proposed organization of the "First National Bank and Trust Company of Bloomington," Bloomington, Illinois, to succeed the First National Bank of Bloomington, which is in serious condition, and the affiliated First Trust and Savings Bank, which a recent examination disclosed to be insolvent; the Comptroller advising that the application to organize has been tentatively approved subject to the granting of trust powers by the Board and recommending that such powers be granted, if and when application is made to the Board.

A discussion regarding the condition of the existing institutions and the proposed new organization ensued during which the Comptroller of the Currency was requested to join the meeting.

At the conclusion of the discussion, upon motion, it was voted that in accordance with the recommendation of the Committee on Examinations, the Governor be authorized, upon receipt of a favorable recommendation from the Federal Reserve Agent at Chicago, to approve the application for trust powers on behalf of the proposed "First National Bank and Trust Company of Bloomington," effective if and when the Comptroller of the Currency issues a certificate of authority to commence business.

On this motion, Mr. James voted "no".

Memorandum from the Chief of the Division of Bank Operations dated October 16th with reference to the computation of required reserves of member banks

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on Sundays and holidays under the recent amendment to Regulation "D"; Mr. Smead recommending that a telegram be addressed to all Federal Reserve banks advising that the amended regulation should be interpreted to mean that the required reserve balance of each member bank at the close of business each day shall be based upon its net deposit balance at the opening of business the same day, and that its required reserve balance on each Sunday and holiday shall be based upon its net deposit balance at the close of business on the last preceding business day.

Following a discussion, during which Mr. Smead was called into the meeting, it was the consensus of opinion that no action to clarify the recent amendment to Regulation "D" is necessary.

Mr. Cunningham, Chairman of Committee on District No. 7, presented a letter addressed to him under date of October 14th from Mr. W. A. Heath, advising formally of his desire to retire from the position of Class "C" Director, Chairman of the board of directors and Federal Reserve agent at the Federal Reserve Bank of Chicago upon the expiration of his present term on December 31, 1930.

Noted without action, being in accordance with what has been known informally by the Board for some time.

The Assistant Secretary then submitted the application of the First State Bank of Newcastle, Wyoming, for membership in the Federal Reserve System and for thirty shares of stock in the Federal Reserve Bank of Kansas City, together with a recommendation of the Committee on Examinations that in approving the application the Board impose a special condition of membership with regard to the granting of overdrafts.

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Upon motion, the application was approved subject to the regular conditions of membership set out in Regulation "H" and a special condition reading as follows:

"You shall agree to eliminate overdrafts amounting to \$1,279.68 on September 15, 1930, (including check of \$793.00 carried in cash items) and to adhere to a policy of avoiding overdrafts in the future."

REPORTS OF STANDING COMMITTEE:

Dated October 15th Recommending change in the stock at a Federal Reserve Bank, as set forth in the Auxiliary Minute Book of this date.

Recommendation approved.

The meeting adjourned at 12:50 p. m.

E. W. McClelland  
Assistant Secretary

Approved:

Eugene Hayes  
Governor.