

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, October 22, 1930, at 11:00 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 October 17th were read and approved.

The minutes of the meeting of the Federal Reserve Board held on October 20th were read and approved as amended.

The Governor then referred to letters from the Governor of the Federal Reserve Bank of New York dated October 14th and 17th, and the discussion at the meeting on October 20th, with regard to the transaction in sterling authorized by the directors of the Federal Reserve Bank of New York.

At the conclusion of the discussion which ensued, a letter to the Governor of the New York bank was approved and ordered transmitted in the following form:

"Referring to your letters of October 14th and 17th, so far as the purchase of foreign bills helps the export of American products at this time, the Board is in sympathy with the program, as outlined.

"So far as the operation affects the open market policy, the Board assumes that the special operations in foreign exchange will be considered as part of the open market program, subject, of course, to the policy agreed upon by the Open Market Committee and approved by the Board."

The Governor also presented a letter dated October 21st from the Federal Reserve Agent at New York, making certain suggestions with regard to the Board's appointment of a director at the Buffalo Branch for a term of three years

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beginning January 1, 1931.

Referred to Committee on
District No. 2.

The Assistant Secretary reported that under authority granted by the Board, the Governor on October 17th, having received a favorable recommendation from the Executive Committee of the Federal Reserve Bank of Chicago, approved the application for permission to exercise general fiduciary powers filed on behalf of the First National Bank and Trust Company of Bloomington, Bloomington, Illinois (organizing), effective if and when the Comptroller of the Currency issues a certificate of authority to commence business.

Upon motion, the action of the Governor was ratified.

Telegram dated October 17th from the Chairman of the Federal Reserve Bank of Dallas, advising that the board of directors, at its meeting on that date, made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Reports of Executive Committee on letters dated October 15th and 17th from the Comptroller of the Currency requesting approval of increases in the salaries of National Bank Examiners as follows:

J. M. Logan, from \$4,500 to \$5,500
F. R. Peterson, from \$4,500 to \$5,400
D. V. Penn, from \$3,600 to \$4,500

Upon the recommendation of the Executive Committee, the salary increases were approved.

Renewal bond in the amount of \$50,000, executed under date of October 18th, by Mr. Wm. H. White, Assistant Federal Reserve Agent at the Federal Reserve Bank of Chicago.

Approved.

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Letter dated October 20th from the Governor of the Federal Reserve Bank of New York, submitting revised reports of the amount of short-term funds held in New York for foreign account as of August 30th and September 30th; the revision being due to an error made by a member bank in its reports to the Federal Reserve Bank.

Ordered circulated.

Memorandum from Counsel dated October 17th, with regard to advice received from Murray, Aldrich and Webb, attorneys for The Chase Bank, of an amendment to the articles of association of the corporation providing for an increase from 10 to 11 in the membership of its board of directors; Counsel expressing the opinion that the articles have been properly amended and no action by the Board is required.

Noted.

Drafts of letters to the Attorney General of the United States and to the Federal Reserve Agent at Philadelphia, with regard to a report made by the Federal Reserve agent covering possible violations of the provisions of Section 5209 of the Revised Statutes by Thomas L. Greely and Charles A. Mahan, Jr., in connection with a shortage of \$9,180.22 in the City Division of the Non-cash Collection Department of the bank.

Noted.

Letter dated October 20th from the Assistant Secretary of State, requesting advice, on behalf of a Committee appointed by the President, as to participation by the Board in an exhibit to be made by the Government at the Chicago World's Fair of 1933.

Upon motion, the matter was referred to the Assistant Secretary for report.

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Letter dated October 16th from the Secretary of the Federal Advisory Council, requesting to be advised of topics which the Board would like to have discussed at the next meeting of the Council, which is scheduled to be held on Tuesday, November 18th.

In this connection Mr. Miller stated that he understands the visit to this country contemplated by Dr. Luther, President of the Reichsbank, has been cancelled and that, therefore, the idea of postponing the meeting of the Federal Advisory Council from November 18th to November 25th has been abandoned.

Upon motion, the matter of topics for the next meeting of the Council was referred to the Executive Committee.

Draft of letter to the Federal Reserve Agent at St. Louis with reference to previous correspondence regarding the indebtedness of Humphrey Robinson and Company, private examiners, and members of that firm, to the Louisville Trust Company, recently examined by them; the proposed reply advising that the Board has reached the conclusion that the facts do not warrant reporting the case to the Attorney General as a possible violation of the provisions of Section 22 (a) of the Federal Reserve Act, and further that the Board notes that the Federal Reserve agent deems it advisable for the Federal Reserve bank to make its own independent examinations of the Louisville Trust Company and other State institutions in Louisville similarly located.

Upon motion, the proposed letter was approved and ordered transmitted.

Draft of letter to the Federal Reserve Agent at New York with regard to the application before the Board for the organization, under the provisions of Section 25 (a) of the Federal Reserve Act, of the American Banking and Industrial Corporation for the Near East, on which the Federal Reserve agent submitted an unfavorable recommendation; the proposed letter requesting that he more

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clearly and definitely state to the Board the reasons for his recommendation and the exact grounds on which he thinks the application should be disapproved.

Upon motion, the proposed letter, as amended, was approved and ordered transmitted.

REPORTS OF STANDING COMMITTEES:

- Dated, October 20th 21st Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.
- Dated, October 18th Recommending action on an application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Recommendation approved.
- Dated, October 21st Recommending approval of the application of Mr. R. A. Vose, for permission to serve at the same time as director of the First National Bank and Trust Company, Oklahoma City, Oklahoma, as director of the First National Bank of Luther, Oklahoma, and as officer and Director of the First National Bank, Lone Wolf, Okla.
Approved.
- Dated, October 21st Recommending approval of the application of Mr. John Scharbauer, for permission to serve at the same time as director of the First National Bank, Midland, Texas, and as director of the First National Bank, Fort Worth, Texas.
Approved.

The meeting adjourned at 12:45 p. m.

C. W. McClelland
Assistant Secretary

Approved:

Ernest C. Frasier
Governor