

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, October 29, 1930, at 11:00 o'clock 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 24th were read and approved.

Memorandum from Counsel dated September 27th with regard to a request of the Federal Reserve Bank of Richmond that Hon. Newton D. Baker be employed as special counsel on a System basis to assist in the litigation involved in a suit of the Federal Reserve Bank of Richmond v. Attmore; Counsel recommending that the Board (1) approve the request of the Richmond bank; (2) transmit a telegram to all other Federal Reserve banks inquiring whether they are willing to participate in the employment of Mr. Baker on a System basis and to bear their prorata shares of the expense, and (3) authorize him to make the necessary arrangements with Mr. Baker as soon as a majority of the Federal Reserve banks advise that they are willing to participate in his employment.

After discussion, upon motion, it was voted to approve Counsel's recommendations with the understanding that the arrangements with Mr. Baker and the fixing of the fee for his services will be subject to the approval of the Board.

Telegram dated October 24th from the Chairman of the Federal Reserve Bank of Chicago, 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.

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Memorandum from the Assistant Secretary dated October 28th, recommending that the Board extend for a period of thirty days from October 22nd, with pay, the leave of absence on account of illness granted Lafayette Washington, a messenger on its staff.

Approved.

Report of Executive Committee on letter dated October 24th from the Comptroller of the Currency recommending approval of a salary of \$3,000 per annum for National Bank Examiner Glenn E. Anderson, assigned to the Tenth Federal Reserve District; the Board's Committee also recommending approval.

Approved.

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 from September 26th to October 23rd, 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 Salaries and Expenditures on letter dated October 23rd from the Federal Reserve Agent of Atlanta, advising that subject to the approval of the Board, the Executive Committee of the bank has approved payment of a bill in the amount of \$3,745.21 rendered by McKay, Withers & Ramsey, Tampa, Florida, for attorneys' and other fees in connection with the liquidation of the Citizens Bank and Trust Company of Tampa; the Board's Committee also recommending approval.

Approved.

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Memorandum from Counsel dated October 21, recommending publication in the next issue of the Federal Reserve Bulletin of the Board's recent rulings

- (1) that the note of an insurance agency, the principal business of which is the writing of fire, surety and casualty insurance, the purpose of the borrowing being for the carrying of accounts covering premiums due on insurance sold, is not eligible for rediscount at a Federal Reserve bank, and
- (2) on the question whether in computing the deposits of a member bank with a non-member bank under the limitations contained in Section 19 of the Federal Reserve Act, deposits of the non-member bank with the member bank may be deducted.

Approved.

Report of Committee on Examinations on letter dated October 23rd from the Assistant Federal Reserve Agent at Cleveland, recommending approval of an application of the Provident Savings Bank and Trust Company, Cincinnati, Ohio, for permission to purchase the assets and assume the liabilities of the Bank of Commerce and Trust Company of Cincinnati, Ohio, also a member bank; the Board's Committee recommending approval.

Approved.

Report of Committee on District No. 7, dated October 28th, recommending adoption by the Board of the following resolution:

"WHEREAS, the Federal Reserve Board by resolution adopted October 13, 1930, authorized Mr. James Simpson of Chicago, Illinois, to offer to Mr. Eugene Stevens of Chicago, Illinois, for and on behalf of the Board, appointment as Class C director of the Federal Reserve Bank of Chicago, with designation as Chairman of the Board of Directors of the said bank and Federal Reserve Agent at a salary not to exceed \$35,000 per annum, said appointment to be effective as of January 1, 1931; and

"WHEREAS, Mr. James Simpson has reported that, acting under the authority of said resolution of the Federal Reserve Board,



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"He has tendered to Mr. Eugene Stevens the said appointment as Class C director of the Federal Reserve Bank of Chicago with designation as Chairman of the Board of Directors of the said bank and Federal Reserve Agent, and that Mr. Stevens has accepted;

"NOW, THEREFORE, BE IT RESOLVED, That the Federal Reserve Board does hereby appoint Mr. Eugene Stevens of Chicago, Illinois as Class C director of the Federal Reserve Bank of Chicago for a term of three years commencing January 1, 1931; and does hereby designate him as Chairman of the Board of Directors of the said bank and as Federal Reserve Agent, at a salary of \$35,000 per annum, for a term of one year commencing January 1, 1931.

"BE IT FURTHER RESOLVED, That the Governor of the Federal Reserve Board convey to Mr. Stevens official notice of his appointment in accordance with the above resolution."

Upon motion, the resolution as quoted above was adopted.

The Committee on District No. 7 then submitted draft of a statement for the press to be released this afternoon for publication in the morning papers of tomorrow, October 30th.

After discussion, the statement was amended and approved for release in the following form:

"The Federal Reserve Board today announced that Mr. William A. Heath, in accordance with the decision he expressed to the Board over a year ago, would 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, at the expiration of his present term of office, December 31, 1930. In connection with the retirement of Mr. Heath, the Board said:

'Mr. Heath has had one of the longest terms of service of any of the Chairmen of the Federal Reserve Banks, having held his present position since January 1, 1917. His long tenure of office is testimony of the fidelity, integrity and ability with which he has handled the responsibilities of the position from which he has asked to be relieved at the end of the current year.'

"The Federal Reserve Board announced, in connection with the vacancy created on the Board of the Federal Reserve Bank of Chicago by the retirement of Mr. Heath, the appointment of Mr. Eugene M. Stevens, of Chicago, as Class C Director with designation as Chairman of the Board of Directors and Federal Reserve Agent, in succession to Mr. Heath, his appointment to take effect January 1, 1931. In connection with the selection of Mr. Stevens for this important position, the Board stated:

'Mr. Stevens comes to the Federal Reserve System with the high credentials of a long, varied and successful banking, financial and business experience in Chicago and the Upper Mississippi Valley, in the course of which he became President of one of the largest and most important banking institutions in the United States. Mr. Stevens will retire from this position at the end of the year, when he assumes the Chairmanship of the Federal Reserve Bank of Chicago.

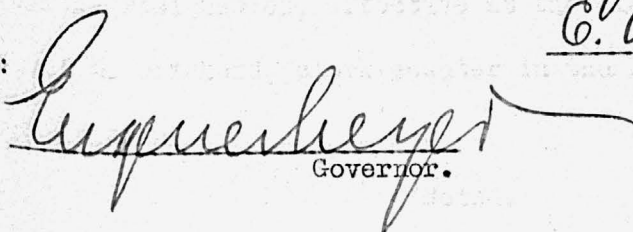
'Mr. Stevens became President of the Continental Illinois Bank and Trust Company and its affiliated organization, the Continental Illinois Company, at the time of its organization on March 18, 1929, by the consolidation of the Continental National Bank and Trust Company and the Illinois Merchants Trust Company. At the time of the consolidation of these two institutions Mr. Stevens was President of the Illinois Merchants Trust Company.'

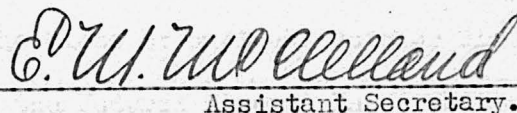
#### REPORTS OF STANDING COMMITTEES:

- Dated, October 27th Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.  
Recommendations approved.
- Dated, October 28th Recommending action on applications for fiduciary  
29th powers as set forth in the Auxiliary Minute Book of this date.  
Recommendations approved.
- Dated, October 27th Recommending approval of the application of Mr. Wellington R. Slocum, for permission to serve at the same time as director of the First National Bank of Hartford, Conn., and as director of the Travelers Bank & Trust Company of Hartford, Conn.  
Approved.
- Dated, October 27th Recommending approval of the application of Mr. Joseph H. Soliday, for permission to serve at the same time as director of the State Street Trust Company of Boston, Mass., as director of the Dedham National Bank of Dedham, Mass., and as director of the Day Trust Company of Boston, Mass.  
Approved.

The meeting adjourned at 12:30 p. m.

Approved:

  
Governor.

  
Assistant Secretary.