

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, November 17, 1930, at 11:00 a. m.

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

Letter dated November 13th from the Assistant Secretary of the Federal Reserve Bank of New York and telegram dated November 14th from the Chairman of the Federal Reserve Bank of Atlanta, both advising that their boards of directors at meetings on the dates stated made no change in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Matter approved on initials on November 14th, namely, letters dated November 10th from the Comptroller of the Currency recommending approval of salaries of \$3,000 per annum each for National Bank Examiners C. F. Strenz and Luther K. Roberts, Jr., assigned to the Second Federal Reserve District.

Formally approved.

Reports of Committee on Salaries and Expenditures on lists submitted by the Federal Reserve Banks of New York, Richmond and Atlanta of employees for whom the directors of those banks authorized leaves of absence with pay, on account of illness, during the month of October, 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.

Telegram and letter dated November 15th from the Chairman of the Federal Reserve Bank of Chicago advising of the reelection of Mr. George M. Reynolds,

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as Class A Director of the bank, and the reelection of Mr. Max W. Babb as Class B Director, both for terms of three years beginning January 1, 1931.

Noted.

Telegram and letter dated November 15th from the Chairman of the Federal Reserve Bank of Atlanta advising of the reelection of Mr. H. Lane Young as Class A Director of the bank, and Mr. J. A. McCrary as Class B Director, both for terms of three years beginning January 1, 1931.

Noted.

Letter dated November 14th from the Chairman of the Federal Reserve Bank of Atlanta advising that the board of directors of the bank on that day accepted the resignation of Mr. Luke Lea as Class B Director.

Noted.

Telegram dated November 15th from the Chairman of the Federal Reserve Bank of San Francisco advising of the death of Mr. L. H. Farnsworth, one of the bank's appointees to the directorate of the Salt Lake City Branch.

Noted with deep regret.

Report of Committee on Salaries and Expenditures on letter dated November 14th from the Chairman of the Federal Reserve Bank of Atlanta requesting approval of a salary of \$12,000 per annum for Mr. W. S. Johns, who has been elected Deputy Governor of the bank to fill the vacancy caused by the death of Mr. Creed Taylor, and a salary of \$6,500 per annum for Mr. E. P. Paris, who has been elected General Auditor to succeed Mr. Johns, both effective November 17, 1930; the Board's Committee also recommending approval.

Approved.

Report of Committee on District No. 6 on letter dated November 15th from

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the Federal Reserve Agent at Atlanta, recommending approval, for a period of sixty days, of an application of the Broadway National Bank, Nashville, Tenn., for permission to rediscount paper acquired from the Commerce Union Bank of Nashville, a non-member institution; the Board's Committee also recommending approval.

Approved.

Report of Committee on Examinations on letter dated November 14th from the Comptroller of the Currency, recommending approval of the application of the First National Bank of Comanche, Oklahoma, for permission to reduce its capital stock from \$50,000 to \$25,000 on condition that not less than the amount of the reduction be used to write off doubtful and worthless assets or to reduce the book value of banking house and fixtures, and that there be no distribution of cash or other assets to the shareholders in connection with the reduction; the Board's Committee also recommending approval subject to the conditions recommended by the Comptroller.

Approved.

Letter dated November 12th from Deputy Governor Crane of the Federal Reserve Bank of New York transmitting the regular monthly compilation of the amount of short term funds held in New York for foreign account, aggregating \$2,586,807 as of October 31, 1930.

Ordered circulated.

Drafts of letters to the Secretary of the Federal Reserve Bank of Cleveland and the Deputy Governor of the Federal Reserve Bank of St. Louis, with reference to the Board's previous advice that under the recent amendment to Regulation D, required reserves of member banks on Sundays should be based on deposits at the close of business on Saturdays, which was contrary to the advice transmitted to

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their member banks by the Federal Reserve Banks of Cleveland and St. Louis.

Upon motion, the proposed letters were approved.

Memorandum from Counsel dated November 12th submitting drafts of letters to the Federal Reserve Agent at Dallas and the First State Bank of Abernathy, Texas, for use by the Board in connection with a recommendation of the board of directors of the Federal Reserve Bank of Dallas that proceedings be instituted by the Board looking toward the termination of the membership in the Federal Reserve System of the First State Bank of Abernathy, Texas; the proposed letters advising that the Board will hold a hearing at which representatives of the First State Bank of Abernathy are requested to appear to show cause why the bank should not be required to surrender its stock in the Federal Reserve Bank of Dallas and forfeit all rights and privileges of membership in the Federal Reserve System but that if the First State Bank of Abernathy desires to waive its right to appear at the hearing in Washington, it may present to the Federal Reserve Agent such evidence as it may care to have transmitted to the Board provided it gives reasonable notice to the Board and to the Federal Reserve Agent of its intention to appear before him.

After discussion, upon motion, December 17th, 1930, was fixed as the date for the hearing before the Board, and the letters submitted by Counsel were approved and ordered transmitted.

REPORTS OF STANDING COMMITTEES:

- Dated, November 17th Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date. Recommendations approved.
- Dated, November 12th Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date. Recommendations approved.

