

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, November 25, 1930 at 11:30 a. m.

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

The Governor referred to a statement made by the Federal Reserve Agent at Chicago in correspondence with Mr. Cunningham, as to the advisability of maintaining a stock of unissued Federal Reserve notes at the Detroit Branch. He suggested that the attention of the Federal Reserve agent be called to the arrangement now in effect at branches of the Federal Reserve Banks of Cleveland and Atlanta whereby stocks of unissued Federal Reserve notes are maintained at the branches under triple control of the Federal Reserve bank, a representative of the Auditing Department at the branch, and the Federal Reserve agent at the head office.

Upon motion, the Governor was requested to bring this arrangement to the attention of the Federal Reserve Agent at Chicago.

The minutes of the meeting of the Federal Reserve Board held on November 18th were read and approved.

Letter dated November 20th from the Assistant Secretary of the Federal Reserve Bank of New York, and telegrams dated November 20th from the Chairman of the Federal Reserve Bank of Boston, November 19th from the Chairman of the Federal Reserve Bank of Philadelphia, November 21st from the Chairman of the Federal Reserve Bank of Chicago, November 19th from the Chairman of the Federal Reserve Bank of St. Louis, November 21st from the Chairman of the Federal Reserve Bank of Kansas City (meeting on November 20th), and November 20th from the Chairman of the Federal Reserve Bank of San Francisco, all advising that at meetings of their boards of directors on the dates stated no changes

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were made in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Telegram dated November 18th from the Secretary of the Federal Reserve Bank of Boston advising of the reelection of Mr. Edward S. Kennard as a Class A Director of the bank, and of Mr. A. F. Bemis as a Class B Director, each for a term of three years beginning January 1, 1931.

Noted.

Letter dated November 18th from the Chairman of the Federal Reserve Bank of Philadelphia advising of the reelection of Mr. George W. Reilly as a Class A Director of the bank, and of Mr. Arthur C. Dorrance as a Class B Director, each for a term of three years beginning January 1, 1931.

Noted.

Letter dated November 18th from the Chairman of the Federal Reserve Bank of Cleveland advising of the reelection of Mr. O. N. Sams as a Class A Director of the bank, and the election of Mr. John E. Galvin, President of the Ohio Steel Foundry Company, Lima, Ohio, as Class B Director, each for a term of three years beginning January 1, 1931.

Noted.

Letter dated November 18th from the Chairman of the Federal Reserve Bank of St. Louis advising of the reelection of Mr. Max B. Nahm as a Class A Director of the bank, and of Mr. James W. Harris as a Class B Director, each for a term of three years beginning January 1, 1931.

Noted.

Letter dated November 22nd from the Chairman of the Federal Reserve Bank of Kansas City bringing to the Board's attention the matters considered at

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the meeting of the boards of directors of the bank and its branches on November 20th, and advising of the reelection of Mr. C. C. Parks as a Class A Director of the bank, and of Mr. W. D. Hosford as a Class B Director, each for a term of three years beginning January 1, 1931.

Noted.

Letter dated November 17th from the Chairman of the Federal Reserve Bank of Dallas, advising of the election of Mr. R. E. Harding, President of the Fort Worth National Bank, Fort Worth, Texas, as a Class A Director of the bank, and the reelection of Mr. J. R. Milam as a Class B Director, each for a term of three years beginning January 1, 1931.

Noted.

Telegrams dated November 20th from the Chairman of the Federal Reserve Bank of San Francisco advising of the election of Mr. Keith Powell, President of the Bank of Woodburn, Woodburn, Oregon, as a Class A Director of the Bank, and the reelection of Mr. Malcolm McNaghten as a Class B Director, each for a term of three years beginning January 1, 1931; also, of the appointment by the board of directors of the San Francisco Bank of Mr. H. E. Hemingway, President of the Commercial Security Bank, Ogden, Utah, as a director of the Salt Lake City Branch for the unexpired portion of the term ending December 31, 1931 to succeed Mr. Charles H. Barton, deceased, and of Mr. E. O. Howard, President of Walker Brothers, Bankers, Salt Lake City, Utah, as a director of the branch for the unexpired portion of the term ending December 31, 1930, to succeed Mr. L. H. Farnsworth, deceased.

Noted.

Letter dated November 21st from the Chairman of the Federal Reserve Bank of Atlanta requesting approval of January 6, 1931 as the date for the open-

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ing of the polls in a special election of a Class B Director of the bank for the unexpired portion of the term ending December 31, 1931.

Approved.

Report of Executive Committee on letter dated November 21st from the Federal Reserve Agent of the Federal Reserve Bank of Kansas City recommending approval of an application of the Havelock National Bank of Lincoln, Nebraska, for permission to continue to maintain reserves of 7% of its demand deposits and 3% of time deposits, the bank recently having become subject to the reserve requirements applicable to member banks in reserve cities through the extension of the corporate limits of the City of Lincoln; the Board's Committee also recommending approval.

Unanimously approved.

Application of the Mt. Airy National Bank and Trust Company of Philadelphia, Pennsylvania, referred to the Board by the Comptroller of the Currency, for a reduction in its reserve requirements from 10% to 7% of demand deposits; the application stating that the applicant bank was chartered by the Comptroller of the Currency in 1927 with a capital of \$100,000, the amount required for a national bank in the outlying districts of a city the population of which exceeds 50,000 persons. The Assistant Secretary called attention to the fact that early in 1928 several banks in Philadelphia, removed from the recognized business and financial center of the city, applied to the Board for a similar reduction in their reserve requirements; that these applications have not yet been acted upon by the Board nor have any requests for action been received during the last year or more, and that although the Mt. Airy National Bank and Trust Company appears to have a better case than any of the former applicants, the approval of the Mt. Airy application will probably precipitate requests from other Philadelphia banks.

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After discussion, upon motion, the Assistant Secretary was instructed to refer the application of the Mt. Airy National Bank and Trust Company to the Chairman of the Federal Reserve Bank of Philadelphia for report and advice as to the recommendation of his board of directors.

Report of Committee on Salaries and Expenditures on letter dated November 17th from the Secretary of the Federal Reserve Bank of Atlanta requesting approval by the Board of a change in the personnel classification plan of the bank creating a new position of Special Representative in the Bank Relations Department; the Board's Committee recommending approval.

Approved.

Report of Committee on Salaries and Expenditures on letter dated November 22nd from the Deputy Governor of the Federal Reserve Bank of Chicago, requesting approval of changes in the personnel classification plan of the bank, including changes in the salary range for five positions, the creation of three new positions and the change in title of one position; the Board's Committee recommending approval.

Approved.

Report of Committee on Salaries and Expenditures on letter dated November 20th from the Chairman of the Federal Reserve Bank of Dallas, requesting approval of changes in the personnel classification plan of the bank under which two positions will be discontinued and one new position created in the Transit Department of the bank; the Board's Committee recommending approval.

Approved.

Matter approved on initials by the Executive Committee on November 21st; namely, waiver by the Board for the year 1931 of the provision of the by-laws

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of the Portland, Seattle and Spokane Branches of the Federal Reserve Bank of San Francisco that at least one director appointed by the bank shall reside outside of the city in which the branch is located.

Formally approved.

Matters approved on initials by the Executive Committee on November 22nd, namely, letters to the Governors of the Federal Reserve Banks of Philadelphia and Richmond, which banks have advised their member banks that in calculating reserve requirements under the recent amendment to Regulation D, the amounts to be reported for Sundays and holidays should be a repetition of the amount reported for the preceding business day, and letters to the Governors of the Federal Reserve Banks of Boston, Atlanta, Chicago, Kansas City and San Francisco, enclosing a copy of the letter to the Governor of the Federal Reserve Bank of Philadelphia; the Board's letters to the Philadelphia and Richmond banks advising that required reserves of member banks on Sundays and holidays should be based on deposits at the close of business the preceding day and suggesting that the banks advise their member banks that they will follow the latter procedure in determining reserve deficiencies.

Formally approved.

Telegram dated November 25th from the Deputy Governor of the Federal Reserve Bank of Dallas requesting approval by the Board of the following paragraph for use in a circular on reserves which is to be issued to member banks:

"In computing such deficiencies the required reserve balance of each member bank at the close of business each day shall be based upon its net deposit balances at the opening of business on the same day. Required reserve balances for Sundays and holidays shall be based upon net deposit balances at the close of business of the preceding business day."

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Approved.

Renewal bond in the amount of \$50,000, executed under date of November 20th, 1930, by Mr. J. G. Fry, as Assistant Federal Reserve Agent of the Federal Reserve Bank of Richmond.

Approved.

Report of Executive Committee on letters dated November 25th from the Acting Comptroller of the Currency recommending approval of National Bank Examiners' salaries; the Board's Committee also recommending approval, as follows:

Harold A. Reitz, \$3,300 per annum
Joseph A. Sales, \$3,600 per annum
Walter Larsen, \$3,000 per annum

Approved.

Memorandum from the Chief of the Division of Bank Operations dated November 18th, submitting statements showing the expenditures of the Federal Reserve Banks for educational and welfare work, etc., during the month of October 1930 and for the ten months' period ending October 31st.

Ordered circulated.

Report of Executive Committee on letter dated November 20th from the Federal Reserve Agent of the Federal Reserve Bank of Chicago recommending that inasmuch as the assets of the Grant Trust and Savings Company, Marion, Indiana, have been purchased and its liabilities assumed by the First National Bank of Marion, the Board waive the usual six months' requirement and permit the Grant Trust and Savings Company to withdraw from membership immediately under a voluntary notice of intention to withdraw filed on November 20th; the Board's Committee recommending approval.

Approved.

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Letter dated November 20th from the Comptroller of the Currency replying to the Board's letter of November 7th regarding the reserve deficiencies of the Athens National Bank of Athens, Texas; the Comptroller's reply enclosing a copy of a letter addressed by him to the Chief National Bank Examiner requesting that he look into the composition of the reserve balances of the member bank, and that if satisfactory assurances are not given that its reserves in the future will be maintained at the legal requirement, he advise whether the bank should be placed on the list for special examinations.

Upon recommendation of the Executive Committee, it was voted to advise the Federal Reserve Agent at Dallas that in view of the Comptroller's instructions to the Chief National Bank Examiner the Board is taking no action on his recommendation that it address a letter to the President of the Athens National Bank advising that unless the violations of law are discontinued, a recommendation will be made to the Department of Justice that a suit be filed for the cancellation of the bank's charter; also, to request the Federal Reserve agent to follow the reserve requirements of the bank closely and if correction is not made within a reasonable time to again take the matter up with the Board.

Report of the Law Committee on memorandum from Counsel dated November 19th, recommending that the Board authorize a subscription to the congressional service of the Corporation Trust Company covering legislation of the Third Session of the 71st Congress relating to banking and currency, the cost of this subscription to be \$100.00; the Board's Committee recommending approval.

Approved.

Memorandum from the Chief of the Division of Bank Operations advising that the Committee on Branch, Group and Chain Banking is in need of a calculating machine and recommending, inasmuch as a machine is not now available for the use

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of the Committee and the Division itself is in need of one, although its budget for the year is not sufficient to cover, that the Board approve immediate purchase of a 10-column comptometer machine, payment therefor to be made in 1931.

After discussion, upon motion, it was voted to authorize the immediate purchase of the machine, payment to be made upon delivery.

REPORTS OF STANDING COMMITTEES:

- Dated, November 20th 25th Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.
- Dated, November 19th 21st Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.
- Dated, November 21st Recommending approval of the application of Mr. Hyman Pearlstone, for permission to serve at the same time as a director of the First National Bank of Dallas, Texas, and as a director and officer of the First National Bank of Palestine, Texas.
Approved.
- Dated, November 21st Recommending approval of the application of Mr. Thomas H. Thompson, for permission to serve at the same time as a director of the Harvard Trust Company of Cambridge, Massachusetts; and as a director of the Barnstable County National Bank of Hyannis, Massachusetts.
Approved.
- Dated, November 21st Recommending approval of the application of Mr. Frederick C. Schneider, for permission to serve at the same time as a director of the First National Bank of Sayreville, New Jersey, and as a director of the New Brunswick Trust Company, New Brunswick, New Jersey.
Approved.
- Dated, November 24th Recommending approval of the application of Mr. Frank C. Schwalbe, for permission to serve at the same time as a director and officer of the Florida National Bank at St. Petersburg, Florida, and as an officer of the Florida National Bank of Jacksonville, Florida.
Approved.
- Dated, November 24th Recommending approval of the application of Mr. William H. Goodman, for permission to serve at the same time as a director of the Florida National Bank at St. Petersburg, Florida; and as an officer of the Florida National Bank of Jacksonville, Florida.
Approved.

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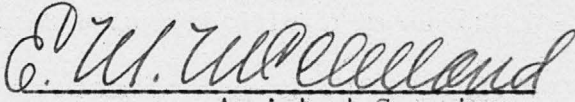
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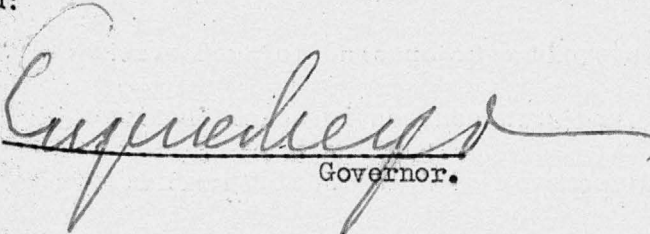
Dated, November 24th Recommending approval of the application of Mr. George J. Avent, for permission to serve at the same time as a director and officer of the Florida National Bank of Jacksonville, Florida, and as a director and officer of the Florida National Bank at St. Petersburg, Florida.

Approved.

The meeting adjourned at 12:45 p. m.


Assistant Secretary.

Approved:


Governor.