

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, December 11th, at 11:20 a. m.

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

The Governor read the following resolution prepared in accordance with the request of the Executive Committee on December 2, which was adopted and ordered spread upon the minutes of the Board:

"WHEREAS, on November 28th, 1930, occurred the death of Honorable Edward H. Cunningham, who for more than seven years had served as a member of the Federal Reserve Board, and

"WHEREAS, during this entire period, through his unfailing kindness and courtesy, he endeared himself to all of the other members of the Board,

"WHEREAS, his colleagues in dealing with the many important problems which confronted them during that time placed a strong reliance in his judgment, and

"WHEREAS, he brought to his work on the Federal Reserve Board a rich store of experience, knowledge and wisdom, derived from his long and successful contact with rural life in America both as farmer and administrator, and exhibited rare qualities of character and independence,

"THEREFORE, BE IT RESOLVED, That the members of the Federal Reserve Board place upon record a deep sense of loss at the passing of a close friend and a colleague who spared no effort nor talent in his service of the Federal Reserve System."

The Assistant Secretary was instructed to have a copy of the resolution engrossed and forwarded to Mrs. Cunningham.

He was also instructed to furnish the Federal Reserve Bank of Richmond with a copy in accordance with a request received from the bank.

Mr. Hamlin then referred to the fiduciary application of the National Capital Bank of Washington, D. C., on which the Board deferred action on July 8th pending a meeting of the full Board for consideration of the question as to the minimum capital which the Board would require of a national bank in the District of Columbia before it would grant permission to exercise trust

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powers. Mr. Hamlin stated that the Board's General Counsel has received a letter from the President of the applicant bank to the effect that one of its largest depositors is desirous of having the bank act as registrar of its stock and that if the bank cannot act in this capacity its customer will probably take its business to a bank which can accommodate it. At Mr. Hamlin's suggestion, Mr. Wyatt, the Board's General Counsel was called into the meeting.

A discussion followed, after which, upon motion, it was voted to approve the application of the National Capital Bank of Washington, D. C., for permission to act as Registrar of Stocks and Bonds, no action being taken on the other powers applied for.

At this point Mr. Wyatt left the meeting.

Report of Executive Committee on letter dated December 5th from the Federal Reserve Agent at Cleveland submitting and recommending approval of the application of the West Toledo National Bank, Toledo, Ohio, an outlying institution, for a reduction in its reserve requirements from 10% to 7% of demand deposits; the Board's Committee recommending, inasmuch as the institution is located over three miles from the financial center of Toledo, is not doing a correspondent banking business, and serves a community clientele, that the application be approved.

Upon motion, it was unanimously voted to approve a reduction in the reserve requirements of the West Toledo National Bank from 10% to 7% of demand deposits.

The Governor then referred to the special order of business for the meeting, namely, reports of the various District Committees of the Board recommending appointments of Class C Directors of the Federal Reserve Banks,

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the designation of Chairmen and Deputy Chairmen for the year 1931, and the appointment of directors at the various branches of the Federal Reserve Banks.

The individual reports of the Committees were then considered and the following actions were taken:

Upon motion, Mr. Allen Hollis was reappointed as Class C Director of the Federal Reserve Bank of Boston for a term of three years beginning January 1, 1931 and was redesignated as Deputy Chairman of the Board of Directors of the bank for the year 1931.

Upon motion, Mr. Frederic H. Curtiss, was redesignated as Chairman of the Board of Directors of the Boston Bank and as Federal Reserve Agent for the year 1931.

Upon Motion, Mr. Clarence M. Woolley was reappointed as Class C Director of the Federal Reserve Bank of New York for a term of three years beginning January 1, 1931.

Upon motion, Mr. J. H. Case was redesignated as Chairman of the Board of Directors of the New York bank and as Federal Reserve Agent for the year 1931.

Upon motion, Mr. Owen D. Young was redesignated as Deputy Chairman of the Board of Directors of the New York Bank for the year 1931.

In connection with the Committee Report on the Federal Reserve Bank of New York Governor Meyer stated that he has communicated with Mr. Case regarding the appointment by the Board of a Director at the Buffalo Branch for a term of three years beginning January 1, 1931 and will submit his recommendation in the near future.

Upon motion, Mr. Alba B. Johnson was reappointed as Class C Director of the Federal Reserve Bank of Philadelphia for a term of three years beginning January 1, 1931 and was redesignated as Deputy Chairman of the Board of Directors of the bank for the year 1931.

Upon motion, Mr. R. L. Austin was redesignated as Chairman of the Board of Directors of the Philadelphia Bank and as Federal Reserve Agent for the year 1931.

Upon motion, Mr. W. W. Knight was reappointed as Class C Director of the Federal Reserve Bank of Cleveland for a term of three years beginning January 1, 1931.

Upon motion, Mr. George DeCamp was redesignated as Chairman of the Board of Directors of the Cleveland bank and as Federal Reserve Agent for the year 1931.

Upon motion, Mr. L. B. Williams was redesignated as Deputy Chairman of the Board of Directors of the Cleveland Bank for the year 1931.

Upon motion, Mr. Geo. M. Verity was reappointed as Director of the Cincinnati Branch of the Federal Reserve Bank of Cleveland for a term of three years beginning January 1, 1931.

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Upon motion, Mr. J. S. Jones was appointed as Director of the Pittsburgh Branch of the Cleveland bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. Frederic A. Delano was reappointed as Class C Director of the Federal Reserve Bank of Richmond for a term of three years beginning January 1, 1931 and redesignated as Deputy Chairman of the Board of Directors of the Richmond Bank for the year 1931.

Upon motion, Mr. W. W. Hoxton was redesignated as Chairman of the Board of Directors of the Richmond Bank and as Federal Reserve Agent for the year 1931.

Upon motion, Mr. Norman James was reappointed as Director of the Baltimore Branch of the Richmond bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. J. A. Law was reappointed as Director of the Charlotte Branch of the Richmond Bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. George S. Harris was reappointed as Class C Director of the Federal Reserve Bank of Atlanta for a term of three years beginning January 1, 1931.

Upon motion, Mr. Oscar Newton was redesignated as Chairman of the Board of Directors of the Atlanta Bank and as Federal Reserve Agent for the year 1931.

Upon motion, Mr. W. H. Kettig was redesignated as Deputy Chairman of the Board of Directors of the Atlanta Bank for the year 1931.

Upon motion, Mr. Albert P. Bush was reappointed as Director of the New Orleans Branch of the Atlanta Bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. S. O. Chase was reappointed as Director of the Jacksonville Branch of the Atlanta Bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. Wm. P. Ridley was reappointed as Director of the Nashville Branch of the Atlanta Bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. J. B. Hill, President of the Nashville, Chattanooga and St. Louis Railroad, Nashville, Tenn., was appointed as Director of the Nashville Branch for the unexpired portion of the term ending December 31, 1931 to succeed Mr. Luke Lea, resigned.

Upon motion, Mr. E. F. Allison was reappointed as Director of the Birmingham Branch of the Atlanta Bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. James Simpson was redesignated as Deputy Chairman of the Board of Directors of the Federal Reserve Bank of Chicago for the year 1931.

Upon motion, Mr. David McMorran was reappointed as Director of the Detroit Branch of the Chicago Bank for a term of three years beginning January 1, 1931.

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Upon motion, Mr. John S. Wood was reappointed as Class C Director of the Federal Reserve Bank of St. Louis for a term of three years beginning January 1, 1931 and redesignated as Chairman of the Board of Directors of the St. Louis Bank and as Federal Reserve Agent for the year 1931.

Upon motion, Mr. John W. Boehne was redesignated as Deputy Chairman of the Board of Directors of the St. Louis Bank for the year 1931.

Upon motion, Mr. E. H. Woods was reappointed as Director of the Louisville Branch of the St. Louis Bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. E. L. Anderson was reappointed as Director of the Memphis Branch of the St. Louis Bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. Hamp Williams was reappointed as Director of the Little Rock Branch of the St. Louis Bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. Homer P. Clark was reappointed as Class C Director of the Federal Reserve Bank of Minneapolis for a term of three years beginning January 1, 1931, and redesignated as Deputy Chairman of the Board of Directors of the Minneapolis Bank for the year 1931.

Upon motion, Mr. John R. Mitchell was redesignated as Chairman of the Board of Directors of the Minneapolis Bank and as Federal Reserve Agent for the year 1931.

Upon motion, Mr. A. R. Jacobs, President of the First National Bank of Missoula, Montana, was appointed as Director of the Helena Branch of the Minneapolis Bank for a term of two years beginning January 1, 1931.

Upon motion, Mr. W. W. Magee was reappointed as Class C Director of the Federal Reserve Bank of Kansas City for a term of three years beginning January 1, 1931.

Upon motion, Mr. M. L. McClure was redesignated as Chairman of the Board of Directors of the Kansas City Bank and as Federal Reserve Agent for the year 1931.

Upon motion, Mr. Wm. L. Petrikin was redesignated as Deputy Chairman of the Board of Directors of the Federal Reserve Bank of Kansas City for the year 1931.

Upon motion, Mr. Merritt W. Gano was reappointed as Director of the Denver Branch of the Kansas City Bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. D. M. Hildebrand was reappointed as Director of the Omaha Branch of the Kansas City Bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. J. B. Doolin was reappointed as Director of the Oklahoma City Branch of the Kansas City Bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. S. B. Perkins was reappointed as Class C Director of the Federal Reserve Bank of Dallas for a term of three years beginning

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January 1, 1931 and redesignated as Deputy Chairman of the Board of Directors of the Dallas Bank for the year 1931.

Upon motion, Mr. C. C. Walsh was redesignated as Chairman of the Board of Directors of the Dallas Bank and as Federal Reserve Agent for the year 1931.

Upon motion, Mr. E. A. Peden was reappointed as Director of the Houston Branch of the Dallas Bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. J. M. Bennett was reappointed as Director of the San Antonio Branch of the Dallas Bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. S. P. Applewhite, Douglas, Arizona, was appointed as Director of the El Paso Branch of the Dallas Bank for a term of three years beginning January 1, 1931.

Upon motion, Mr. Walton N. Moore was reappointed as Class C Director of the Federal Reserve Bank of San Francisco for a term of three years beginning January 1, 1931 and redesignated as Deputy Chairman of the Board of Directors of the San Francisco Bank for the year 1931.

Upon motion, Mr. Isaac B. Newton was redesignated as Chairman of the Board of Directors of the San Francisco Bank and as Federal Reserve Agent for the year 1931.

Upon motion, Mr. Edward C. Pease was reappointed as Director of the Portland Branch of the San Francisco Bank for a term of two years beginning January 1, 1931.

Upon motion, Mr. Henry A. Rhodes was reappointed as Director of the Seattle Branch of the San Francisco Bank for a term of two years beginning January 1, 1931.

Upon motion, Mr. Peter McGregor was reappointed as Director of the Spokane Branch of the San Francisco Bank for a term of two years beginning January 1, 1931.

Upon motion, Mr. G. G. Wright was reappointed as Director of the Salt Lake City Branch of the San Francisco Bank for a term of two years beginning January 1, 1931.

Upon motion, Mr. J. B. Alexander was reappointed as Director of the Los Angeles Branch of the San Francisco Bank for a term of two years beginning January 1, 1931.

Letter dated December 8th from Mr. William Austin, requesting permission, upon proper acknowledgment, to use certain statistical data appearing in the Federal Reserve Bulletin in an article which he is preparing for submission to "Railway Age".

Upon motion, it was voted to interpose no objection to Mr. Austin's use of the data as outlined.

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Letter dated December 5th from the Federal Reserve Agent at St. Louis, advising that the First National Bank of Corinth, Miss., was deficient in its reserve requirements during the semi-monthly periods between March 1st and September 30th, but recommending that in view of the recent closing of the Corinth Bank and Trust Company and the fact that the First National Bank has had no average deficiency in its reserves during the last three semi-monthly periods, the Board defer taking action on the matter.

After discussion, upon motion it was voted to approve the Federal Reserve Agent's recommendation and to furnish a copy of his letter to the Comptroller of the Currency for his information.

Report of Committee on Salaries and Expenditures on list submitted by the Federal Reserve Bank of San Francisco of the employees for whom the directors approved leaves of absence with pay, on account of illness, during the month of November, 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 District No. 6 on letter dated December 9th from the Federal Reserve Agent of the Federal Reserve Bank of Atlanta, recommending approval of the action of the Interstate Trust and Banking Company of New Orleans, Louisiana, in taking over certain assets and assuming certain liabilities of the New Orleans Bank and Trust Company; the Board's Committee also recommending approval.

Approved.

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Letter dated December 10th from the Federal Reserve Agent of the Federal Reserve Bank of Richmond stating that, in accordance with an arrangement of which the Board was advised in his letter of February 21, 1930, the American Bank and Trust Company of Richmond, Virginia, absorbed the West End Bank of Richmond as at the close of business on December 9th, and will operate the latter office as a branch.

Noted.

Draft of a letter to the Federal Reserve Agent of the Federal Reserve Bank of Cleveland, replying to his letter of November 25th with regard to the circumstances which should be considered by the Board of Directors of his bank in passing upon applications of state banking institutions for membership in the Federal Reserve System, particularly where the great bulk of the bank's assets are of a kind ineligible for rediscount or purchase by the Federal Reserve bank; the proposed reply stating that Section 9 of the Federal Reserve Act places a responsibility upon the Board in passing upon applications for membership to consider not only the financial condition of the applying bank and the general character of its management, but also whether or not the corporate powers exercised are consistent with the purpose of the Federal Reserve Act, and while it cannot, of course, pass upon a case specifically referred to by the Agent, it is inclined to believe that with conditions as recited it would be disposed to disapprove the particular application.

After discussion, upon motion, the proposed draft of letter was approved.

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Memorandum from Counsel dated December 9, submitting an agreement between the Federal Reserve Bank of Richmond and the Federal Reserve Agent covering custody of a stock of unissued Federal Reserve notes at the Charlotte Branch which agreement was forwarded to the Board with the Federal Reserve Agent's letter of December 5th; the memorandum stating that the proposed custody differs from the arrangement approved by the Board at other branches in that there is dual control only, the representative of the Auditing Department being omitted, but as the Federal Reserve Act requires that unissued notes be held in the joint custody of the Agent and the Federal Reserve Bank he is of the opinion that the proposed arrangement meets the requirements of the Federal Reserve Act and is in proper form. With his memorandum Counsel submitted draft of a proposed letter to the Agent at Richmond advising that the Federal Reserve Board has no objection to the establishment of the custody of unissued Federal Reserve notes at the Charlotte Branch with the understanding that the Board reserves the right to require the arrangement to be modified or discontinued if at any time it should see fit.

Upon recommendation of the Law Committee the proposed letter to the Federal Reserve Agent at Richmond, was approved.

Memorandum from Counsel dated December 9, 1930 with regard to letter dated December 5th from the Federal Reserve Agent at St. Louis, recommending that a receiver be appointed for the First National Bank of Mt. Sterling, Illinois, which transferred its assets and has not functioned as a bank for more than two years, the memorandum recommending that the Board suggest to the Comptroller of the Currency that it is desirable that a receiver be appointed

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in order that the Federal Reserve Bank stock held by the First National Bank may be cancelled.

Upon recommendation of the Law Committee it was voted to approve Counsel's suggestion and letters to the Comptroller of the Currency and the Federal Reserve Agent advising accordingly, which were submitted with Counsel's memorandum, were ordered transmitted.

Memorandum from Counsel dated December 9th advising of Senate Resolution 359 introduced in the Senate by Senator Thomas on December 8th, directing the Federal Reserve Board to advise the Senate what steps it is taking or proposes to take to meet the existing depression and consequent unemployment and low prices.

Noted.

Memorandum from Counsel dated December 9th submitting copy of Senate Resolution 358 introduced on December 8th by Senator McKellar which would authorize an investigation of the enforcement of the anti-trust laws including the provisions of the Clayton Act with regard to interlocking bank directorates.

Noted.

The meeting adjourned at 12:45 p.m.

C. W. W. Woodland
Assistant Secretary.

Approved:

Augustus
Governor.