Upon call of the Vice Governor a special meeting of the Federal Reserve Board was held in the office of the Vice Governor on Friday, June 19, 1925 at 11:00 o'clock.

PRESENT: Vice Governor Platt
Mr. Miller
Mr. James
Mr. McIntosh
Mr. Eddy, Secretary

The reading of the minutes of the meetings of the Federal Reserve Board held on June 11th, 12th and 16th was dispensed with.

Memorandum from Counsel with regard to the application made by the Organization Committee of the Mt. Vernon National Bank and Trust Company of Mt. Vernon, Indiana for permission to exercise general fiduciary powers, if and when authorized to commence business, which application has been approved by the Federal Reserve Agent at St. Louis, the Comptroller of the Currency and the Board's Sub-committee; Counsel stating that the Board may legally approve the application, to take effect if and when the Comptroller authorizes the bank to begin business, provided it requires as a condition to its approval that the Board of Directors of the Bank, when finally organized, ratify the action of the Organization Committee in making application to the Board for trust powers. Mr. McIntosh stated that the Mt. Vernon Bank and Trust Company was being organized to take over the business of an insolvent national bank at that point and that it was desired that the Board's permission to exercise trust powers be secured before he approved the title of the bank containing the words "Trust Company".

After discussion, Mr. James moved approval of the application, effective if and when the bank is authorized to commence business, on condition that its Board
of Directors when organized ratify the application made by the Organization Committee.

Carried, Mr. Miller voting "no".

Letter dated June 12th, addressed to the Comptroller of the Currency by the Chief National Bank Examiner in the Sixth Federal Reserve District, transmitting correspondence with the Unaka and City National Bank of Johnson City, Tenn., with regard to the alleged practice of the Federal Reserve Bank of Atlanta of charging rediscounted paper to the bank's account prior to its maturity.

After discussion, Mr. James moved that the correspondence be referred to the Secretary with instructions to develop further information in the matter.

Carried.

Letter dated June 15th from the Assistant Federal Reserve Agent at Cleveland, requesting approval of a change in the designation of Mr. H. H. Wolf from Assistant Examiner to Examiner, without change in salary.

Approved.

Letter dated June 18th from the Chairman of the Federal Reserve Bank of New York, referring to the Board's Circular #21, Series of 1915, on the subject of "Eligibility of Candidates for Directorships" and advising that Mr. R. H. Treman, Class "A" Director of the bank is chairman of the Finger Lakes Park Commission and Mr. W. J. Humphrey, Director of the Buffalo Branch is serving as a member of the Republican County Committee of Wyoming County, New York; the Chairman expressing the hope that the Board will not find it necessary to apply its ruling to either of these
Cases at least until the present terms of the directors expire as he believes in both cases, if the ruling were held to apply, the bank would lose the services of these two outstanding upstate directors.

After discussion, Mr. Miller moved that a reply be made to the above letter stating that the Board has reached the conclusion that Mr. Treman's membership on the Finger Lakes Park Commission is not inconsistent in the intent of its circular but that it is of the opinion that Mr. Humphrey's connection with the Republican County Committee of Wyoming County comes within the restrictions of the ruling, and further that the Board is informed that little importance attaches to the New York County Committees and in view of the Chairman's statement as to the importance of Mr. Humphrey's services as a director, hopes he will be able to continue by resigning from the Committee.

Carried.

Telegram dated June 17th from the Federal Reserve Agent at Kansas City, outlining arrangements for the special election of a Class "A" Director of that bank to succeed Mr. John C. Mitchell, deceased; together with copy of telegraphic reply made by the Vice Governor on the same date stating that the arrangements outlined are satisfactory to the Board.

Upon motion, the telegraphic reply was formally approved.

Report of Committee on Salaries, Expenditures and Efficiency on letter dated June 16th from the Chairman of the Federal Reserve Bank of Richmond, requesting approval of an increase from $2760 to $3,000 per annum in the salary of Mr. John R. Cupit, Manager of the Transit Department of the Baltimore Branch, effective July 1st; the Committee recommending approval.

Approved.
Memorandum dated June 16th from Counsel, submitting matters for Publication in the July issue of the Federal Reserve Bulletin.

Approved.

Letter dated June 18th from the Deputy Governor of the Federal Reserve Bank of New York, referring to the Board's telegram of June 12th on the subject of the bank's effective buying rates for bankers acceptances, and stating that the Board of Directors of the bank at their meeting on that date considered the matter and voted that no change be made.

After discussion of general credit and market conditions, and their relation to the buying rate of the Federal Reserve Bank of New York action on the above letter was postponed.

Memorandum dated June 19th from the Division of Examination with regard to letter dated June 12th from the Federal Reserve Agent at Minneapolis on the subject of cancellation of stock held by the Citizens National Bank of Jamestown, North Dakota, a closed bank, which the Board directed be cancelled unless the bank had been reopened on or before June 30, 1925 and stating that those interested in the institution believe its reorganization can be effected during the summer; the memorandum pointing out that eighteen months have expired since the bank was declared insolvent and expressing the opinion that the stock should now be surrendered and appropriate settlement made.

After discussion, Mr. James moved that the Board extend until September 30, 1925, the date on which the stock shall be cancelled in the event the bank has not reopened for business by that time.
The Vice Governor then presented the matter ordered circulated at the meeting of the Executive Committee on June 16th, namely, memorandum dated June 15th, addressed to the Committee on Salaries, Expenditures and Efficiency by the Chief of the Board's Division of Bank Operations, with regard to the necessity for definite rules and regulations covering the assessment against state member banks of the cost of examinations made by the Federal Reserve banks.

Upon motion, the subject of the memorandum was made special order business for the meeting of the Board on Tuesday, June 23rd.

Letter dated June 16th from the Deputy Governor of the Federal Reserve Bank of Kansas City, with reference to the Board's action of June 11th in disapproving a contribution of $500 made by the bank to the "Law Enforcement Association Reward Fund"; the Deputy Governor stating that the bank had committed itself to make this contribution in December 1922, following the robbery of $97,000 from a messenger of the Drovers National Bank of Kansas City, Missouri, and expressing the opinion that the Governor of the bank at that time had a verbal understanding with the Board that the contribution would be allowed.

After discussion, Mr. James moved that the Board reconsider its action of June 11th and approve the contribution in question.

Carried.

Letter dated June 12th from the Chairman of the Board of Directors of the Federal Reserve Bank of Richmond, referring to the action of the
Board in disapproving the application of that bank for permission to estab-
lish a branch at Charlotte, North Carolina and quoting a resolution adopted
by the Board of Directors of the bank, requesting that the Board consent
to a rehearing on the subject in the fall.

Upon motion, it was voted that the Federal
Reserve Bank be advised that the Board will take
action upon receipt of a formal request for a
rehearing of the bank's application.

Report of Committee on District #2 recommending the appointment of Mr.
J. H. McNulty as Director of the Buffalo Branch of the Federal Reserve Bank
of New York for the unexpired term of Mr. Carlton M. Smith, deceased, ending
December 31, 1926.

Upon motion, it was voted to appoint Mr.
McNulty as director of the Buffalo Branch for
the unexpired term ending December 31, 1926.

Report of Committee on Examinations on letter dated June 16th from
the Federal Reserve Agent at Richmond, recommending approval of the applica-
tion of The Westminster Bank, Westminster, South Carolina for permission to
exercise fiduciary powers, a broadening in the functions of the institution;
the Committee also recommending approval.

Approved.

Report of Committee on Examinations on letter dated June 16th from
the Federal Reserve Agent at Richmond, recommending approval of the applica-
tion of the Bank of Edenton, Edenton, North Carolina, for permission to
conduct a trust department, a broadening in the functions exercised by the
institution; the Committee also recommending approval.

Approved.
Draft of letter to the Governor of the Federal Reserve Bank of Chicago,
with regard to the necessity for the filing of separate credit statements
by the subsidiaries of Deem and Company, of Moline, Illinois, under the
provisions of the Board's Regulation "A".

Upon motion, the proposed letter was
approved.

REPORTS OF STANDING COMMITTEES:

Dated, June 17th, Recommending changes in stock at Federal Reserve
banks, as set forth in the Auxiliary Minute Book
of this date.

Approved.

Dated, June 19th, Recommending action on application for admission of
state bank, subject to the conditions stated in the
individual reports attached to the application, as
set forth in the Auxiliary Minute Book of this date.

Approved.

Dated, June 18th, Recommending approval of the application of Mr. Frank
J. Hale to serve at the same time as director of the
Newton Trust Company, Newton, Mass., as director of
the First National Bank, West Newton, Mass., and as
director of the First National Bank, Boston, Mass.

Approved.

Dated, June 18th, Recommending approval of the application of Mr. Seward
W. Jones to serve at the same time as President and
director of the Newton Trust Company, Newton, Mass.,
as director of the First National Bank, West Newton,
Mass., and as director of the Dedham National Bank,
Dedham, Mass.

Approved.

Dated, June 18th, Recommending approval of the application of Mr. Frank
L. Richardson for permission to serve at the same time
as Vice President and Director of the Newton Trust
Company, Newton, Mass., as Vice President and Director
of the First National Bank, West Newton, Mass., and as
President and Director of the Dedham National Bank,
Dedham, Mass.

Approved.
REPORTS OF STANDING COMMITTEES: (Cont’d)

Dated, June 16th, Recommending approval of the application of Mr. E. M. Perkins for permission to serve at the same time as President and Director of the First National Bank, Crosbyton, Texas and as director of the Continental National Bank, Fort Worth, Texas.

Approved.

Dated, June 17th, Recommending approval of the application of Mr. George Young, Jr., for permission to serve at the same time as officer of the Passaic National Bank and Trust Company, Passaic, N.J., and as officer and director of the Clifton National Bank, Clifton, N.J.

Approved.

The meeting adjourned at 12:20 p.m.

[Signature]

Secretary.

Approved:

[Signature]

Vice Governor.