

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, April 14, 1926 at 11:00 a.m.

PRESENT: Vice Governor Platt
Mr. Hamlin
Mr. Miller
Mr. Noell, Asst. Secretary
Mr. McClelland, Asst. Secretary

Matter approved on initials on April 9th, namely, application of The Framingham National Bank of Framingham, Mass. for permission to exercise general fiduciary powers.

Formally approved.

Matter approved on initials on April 14th, namely, memorandum from the Division of Examination, recommending approval of an application of the Citizens National Bank of Muskogee, Okla. for original stock (72 shares) in the Federal Reserve Bank of Kansas City, effective if and when the Comptroller of the Currency issues a certificate of authority to commence business.

Formally approved.

Telegram dated April 9th from the Secretary of the Federal Reserve Bank of Cleveland, advising that the board of directors on that day made no change in their existing schedule of rates of discount and purchase.

Noted.

Telegram dated April 9th from the Chairman of the Federal Reserve Bank of Atlanta, advising that the board of directors on that day made no change in the bank's existing schedule of rates of discount and purchase.

Noted.

4/14/26

-2-

Telegram dated April 9th from the Chairman of the Federal Reserve Bank of St. Louis, advising that no change was made in the bank's existing schedule of rates of discount and purchase at the meeting of the board of directors on that day.

Noted.

Telegram dated April 8th from the Chairman of the Federal Reserve Bank of Kansas City, advising that the board of directors on that day confirmed the bank's present schedule of rates of discount and purchase.

Noted.

Telegram dated April 13th from the Chairman of the Federal Reserve Bank of Dallas, advising that the board of directors on that day made no change in the bank's existing schedule of rates of discount and purchase.

Noted.

Memorandum dated April 13th from the Chief of the Division of Bank Operations, requesting that the temporary appointment of Miss Louise Barnard, comptometer operator in that division, with salary at the rate of \$1300 per annum be extended, at the same salary, for a period of not to exceed three months from April 22nd.

Approved.

Memorandum dated April 13th from the Chief of the Division of Bank Operations, recommending that the temporary appointment of Miss Helen Clark, comptometer operator in that division, salary \$1300 per annum, which terminates on April 16th, be made permanent at the same salary and that the temporary appointment of Mrs. Edith M. Zobel, comptometer

4/14/26

-3-

operator, salary \$1200 per annum, be extended for three months from April 12th, and that her salary beginning April 16th be fixed at the rate of \$1400 per annum.

Approved.

Letter dated April 12th from the Federal Reserve Agent at New York, advising that the Bank of the Manhattan Company has received informal approval from the State Banking Department for the establishment of a branch in Woodside, Borough of Queens, New York City.

Noted.

Letter dated April 12th from the Federal Reserve Agent at New York, advising that the State Banking Department has authorized the Bank of the Manhattan Company, New York City, to open and maintain a branch, on or after April 15th, at 190-02 Jamaica Avenue, Hollis, Queens Borough, upon the discontinuance of a branch heretofore maintained at 189-19 Jamaica Avenue, and that the Corn Exchange Bank, New York City, has been authorized to open a branch, on or after May 16th, in the New York Telephone Building, Barclay and West Streets, Manhattan.

Noted.

Letter dated April 12th from Mr. Frank O. Wetmore, President of the Federal Advisory Council, advising that the next meeting of the Council will be held in Washington on May 21st and requesting a list of the topics which the Board desires to have discussed at the meeting.

Referred to the Vice Governor.

Letter dated April 12th from the Federal Reserve Agent at Chicago, with reference to application filed by the Grand and Sixth National Bank,

4/14/26

-4-

Milwaukee, Wis. for a reduction in reserve requirements from 10% to 7% on demand deposits; the Agent advising that the bank is but three blocks distant from the busiest corner in Milwaukee and can in no sense be considered an outlying bank, and further, that he has advised the institution that he can not recommend granting the application but will forward same to the Board for consideration if the bank desires.

Noted.

Letter dated April 7th from the Federal Reserve Agent at Chicago, suggesting consideration by the Board of the advisability of having banks withdrawing from the Federal Reserve System return their certificates of membership.

Referred to Counsel.

Letter dated April 10th from the Federal Reserve Agent at Chicago, replying to the Board's letter of April 8th with reference to the appointment of Mr. Arthur L. Olson as Assistant Secretary to the board of directors; the Agent stating that he himself made the recommendation for Mr. Olson's appointment, although he is in full agreement with the expressions contained in the Board's letter, and requesting that the appointment be permitted to stand for the present, for the reason that as soon as he can secure and appoint competent additional help in his office the appointment of Mr. Olson will probably be rescinded, as he recognizes that, as a settled practice, the appointment of the Governor's confidential secretary is not in accord with the Board's "Outline of Organization".

Noted, without objection.

4/14/26

-5-

Letter dated April 7th from the Federal Reserve Agent at Chicago, advising that Mr. Harry Olmstead who is resigning as Assistant Federal Reserve Examiner and had anticipated making his resignation effective about April 15th, has consented to defer the date of his resignation for the purpose of joining with the State Banking Department in a credit investigation of the Bank of Detroit, at the conclusion of which his resignation will become effective.

Noted.

Letter dated April 10th from the Federal Reserve Agent at Chicago, advising that the resignation of Mr. W. C. Schrader, Acting Assistant Federal Reserve Agent at the Detroit Branch will shortly be filed with him, effective June 1st or possibly sooner; the Agent stating it will not be necessary to appoint another Acting Assistant Federal Reserve Agent at the Branch if some person now there can be authorized to receive, receipt for, and deliver Federal Reserve Notes for the Federal Reserve Agent or in his name, and to act in that capacity during the absence or disability of the Assistant Federal Reserve Agent, this procedure having been followed at the Chicago bank in the designation of Mr. Glenn Kirk to act for the Agent as described above.

Upon motion, the Vice Governor was requested to advise Mr. Heath that there will be no difficulty in securing from the Board the authority desired, when he is prepared to recommend an employee of the Branch to perform the duties in question.

Draft of reply to letter dated April 6th from the President of the Lincoln Bank and Trust Company, Louisville, Ky. inquiring whether the reserves

4/14/26

-6-

of a member bank must be intact on the date on which a dividend is declared or on the date on which the dividend is paid in order to comply with the provisions of Section 19 of the Federal Reserve Act; the proposed letter stating that the date of payment of the dividend is the date upon which the required reserve balance must be intact in order to comply with the provisions of law, but calling attention to the fact that the law contemplates the continued maintenance of the required reserve at all times.

Upon motion, the proposed letter was approved.

Letter dated April 8th from the Federal Reserve Agent at San Francisco, transmitting and recommending approval of an application of the American Bank of San Francisco for an extension of six months' time in which to open the branch de novo on Market Street near Van Ness Avenue, the establishment of which was approved by the Board on October 27, 1925.

Approved.

Report of Committee on Examinations on memorandum dated April 9th from the Comptroller of the Currency, recommending approval of an application of The Witt National Bank, Witt, Ills. for permission to reduce its capital from \$50,000 to \$25,000 on condition that the entire amount of the reduction be used in removing slow and doubtful assets, such assets to be trusted for the benefit of shareholders at the date of reduction and none of the reduction to be returned to the shareholders in cash except as realized from trusted assets; the Committee also recommending approval.

Approved.

4/14/26

-7-

Draft of circular letter to the Governors of all Federal Reserve Banks, requesting that they communicate to the Board the reasons which actuated their banks in continuing a no-protest minimum of \$10 and their present views on a suggestion that the minimum be increased to \$20 made some years ago by the Executive Committee of the Clearing House Section of the American Bankers Association; the information being desired in order that the Board may reply to an inquiry on the subject addressed to it by the American Bankers Association.

Upon motion, the proposed letter was approved.

Memorandum from Counsel submitting draft of reply to letter dated April 10th from the Federal Reserve Agent at Chicago, advising that the First State Bank of Carsonville, Michigan, has reduced its capital from \$25,000 to \$20,700, which is less than the capitalization required for membership save in the case of banks admitted under the amendment of March 4, 1923; Counsel submitting draft of a proposed letter to the Federal Reserve Agent at Chicago, setting forth several courses of procedure which the Board may adopt, including steps for the forfeiture of the banks' membership in the Federal Reserve System, and requesting a definite recommendation from him.

Upon motion, the proposed letter was approved.

Letter dated April 8th from the Hanovia Chemical and Manufacturing Company of Newark, N. J. submitting a complaint with reference to the manner in which non-cash collections of that company are handled by the Federal Reserve banks, particular reference being made to the collection

4/14/26

-8-

of a note given the company by a physician in West Virginia which was sent to the Charleston National Bank, Charleston, West Virginia, rather than to the Kanawha Valley Bank of Charleston at which the notes were made payable.

Upon motion, it was voted that the Vice Governor should communicate regarding the above matter with the Federal Reserve Bank of Richmond through whom the specific transaction referred to was handled.

Letter dated April 13th from the Chairman of the Board of Directors of the Federal Reserve Bank of Cleveland, recommending that the Board revoke permission granted by it on November 17, 1925 and December 8, 1925 to the Old National City Bank at Lima, Ohio, to exercise general fiduciary powers; the Chairman stating that this recommendation is based upon the condition of the bank as disclosed by an examination made under date of March 15, 1926.

Referred to Counsel.

REPORTS OF STANDING COMMITTEES:

Dated, April 8th, Recommending changes in stock at the Federal Reserve
10th, banks as set forth in the Auxiliary Minute Book of
12th, this date.
13th, Approved.

Dated, April 9th, Recommending action on application for fiduciary
powers as set forth in the Auxiliary Minute Book
of this date.
Approved.

Dated, April 9th, Recommending approval of the application of Mr.
Arthur L. Hubbard for permission to serve at the
same time as director and Chairman of the First

4/14/26

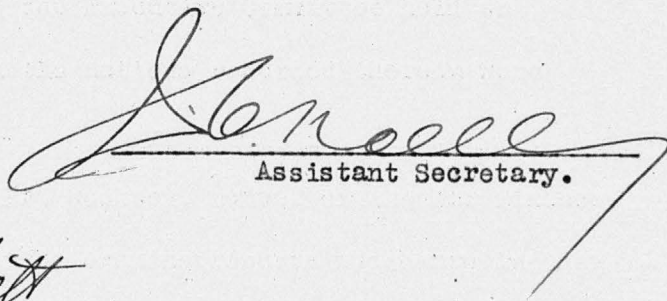
-9-

REPORTS OF STANDING COMMITTEES: (Cont'd)

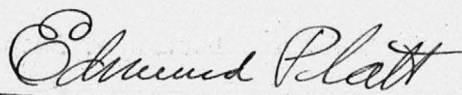
National Bank, Carlisle, Ind., and as
President and Director of the First National
Bank, South Bend, Ind.

Approved.

The meeting adjourned at 12:00 o'clock.


Assistant Secretary.

Approved:


Vice-Governor.