

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, April 23, 1926 at 12:15 p.m.

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

Letter dated April 22nd from the Secretary of the Federal Reserve Bank of New York, confirming the action of the board of directors of that bank yesterday in voting to establish a rediscount rate of  $3\frac{1}{8}\%$  on all classes of paper of all maturities, and stating that the directors also considered the existing schedule of rates of purchase in effect at that bank and made no change.

Noted.

Telegram dated April 21st from the Chairman of the Federal Reserve Bank of Boston, 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.

Telegram dated April 21st from the Chairman of the Federal Reserve Bank of Philadelphia, advising that the board of directors of that bank on that day made no change in their existing schedule of rates of discount and purchase.

Noted.

Telegram dated April 22nd from the Chairman of the Federal Reserve Bank of Kansas City, advising that the board of directors on that day voted to make no change in their existing schedule of rates of discount and purchase.

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Noted.

Telegrams dated April 20th and 21st from the Secretary of the Federal Reserve Bank of Minneapolis, advising that the board of directors at their meeting on April 19th approved that bank's existing schedule of rates of discount and purchase.

Noted.

Letter dated April 19th from the Governor of the Federal Reserve Bank of St. Louis, replying to the Board's letter of April 6th, with reference to the installation of a budget system for the control of expenses; the Governor stating that in view of the fact that nine of the other Federal Reserve banks are operating under a budget system they will arrange for the installation of such a system at their bank beginning July 1, 1926.

Noted, with approval.

Letters dated April 19th and 21st from the Chairman of the Federal Reserve Bank of Cleveland, requesting approval of the appointment of Mr. Hugh Boyd as Federal Reserve Examiner to succeed Mr. James H. McClure, resigned; the Chairman advising that Mr. Boyd is being transferred from the Member Banks Relations Department without change in his present salary of \$3400 per annum.

Upon motion, Mr. Boyd's designation as an Examiner was approved.

Memorandum dated April 21st from the Chief of the Division of Bank Operations, transmitting statements of expenditures by Federal Reserve banks for educational and welfare work, etc. during the month of March and for the three month period ending March 31st.

Ordered circulated.

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Report of Committee on Examinations on memorandum dated April 22nd from the Acting Comptroller of the Currency, recommending approval of an application of The Third National Bank of Greensburg, Ind. for permission to reduce its capital from \$150,000 to \$135,000; the Committee also recommending approval.

Approved.

Memorandum from Counsel dated April 21st submitting draft of reply to letter dated April 14th from the Federal Reserve Agent at Minneapolis, with reference to cancellation of stock of the First National Bank of Hallock, Minn., the receiver for which has failed to apply for cancellation of the stock within six months from the date of his appointment - October 16, 1925; the proposed reply ordering that the Federal Reserve bank stock issued to the First National Bank of Hallock be cancelled, that the proceeds thereof be applied to any indebtedness of the bank to the Federal Reserve Bank of Minneapolis, and that the balance, if any, be paid over to the duly authorized receiver in accordance with the provisions of the Board's Regulations.

After discussion, upon motion by Mr. James, it was voted that the above letter be referred back to Counsel for inquiry through the Office of the Comptroller of the Currency as to why the receiver of the bank in question has not made application for the cancellation of stock.

Report of Committee on District #6 on the matter referred to it at the meeting on April 19th, namely, letter dated April 14th from the Federal Reserve Agent at Atlanta, requesting the Board's permission to appoint a responsible employee to act as custodian of unissued Federal Reserve Notes

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which the bank desires to place at its Jacksonville Branch - the custodian to be an employee of the Federal Reserve Agent's Department and notes to be delivered only on order of the Federal Reserve Agent; the Committee reporting that after discussion with Mr. Newton, it recommends that the Board authorize the appointment of an Assistant Federal Reserve Agent at Jacksonville, if and when in the judgment of the Federal Reserve Agent it is necessary or desirable to make such an appointment.

Mr. James, Chairman of the Committee advised that the plan worked out with Mr. Newton contemplates the designation as Assistant Federal Reserve Agent of Mr. Fulton Saussy, one of the Board's appointees to the Jacksonville directorate. He stated that Mr. Saussy would be placed on the salary rolls of the Atlanta bank at a nominal salary in order that he might be bonded, and that he would act only when needed and would be paid a fee each time called upon to serve.

Upon motion, the recommendation of the Committee was then approved.

Letter dated April 19th from Mr. Charles deB. Claiborne, Vice President of the Whitney - Central National Bank of New Orleans, submitting a complaint with reference to a circular issued by the Federal Reserve Bank of Atlanta under date of April 10th, wherein he states they request member banks and non-member par remitting banks to place on their checks the words "Collectible at par through the Federal Reserve Bank of Atlanta".

The Secretary reported that the circular in question was simply the renewal of a regular collection circular issued under date of April 25, 1923 and that the wording complained of, which had not been changed from the original circular, read "Member banks and non-member par remitting banks are entitled to place the words 'Collectible at par through the Federal Reserve Bank of Atlanta' on their own checks and the checks used by their depositors."

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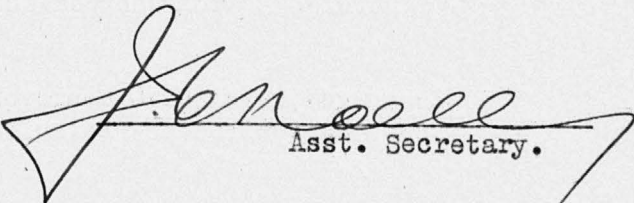
"Your attention is called to the desirability of availing yourself of this privilege."

Upon motion by Mr. James, it was voted that Mr. Claiborne be advised accordingly.

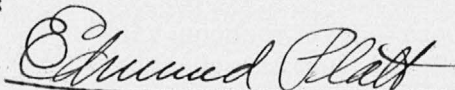
REPORTS OF STANDING COMMITTEES:

- Dated, April 22nd, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date.  
Approved.
- Dated, April 20th, Recommending action on applications for fiduciary powers  
21st, as set forth in the Auxiliary Minute Book of this date.  
Approved.
- Dated, April 21st, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.  
Ordered held.
- Dated, April 20th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.  
Refused.
- Dated, April 21st, Recommending action on application for admission of state bank, subject to the conditions stated in the individual reports attached to the applications, as set forth in the Auxiliary Minute Book of this date.  
Approved.
- Dated, April 21st, Recommending approval of the application of Mr. John J. Appel for permission to serve at the same time as director of the Indiana National Bank and as director of the Union Trust Company, both of Indianapolis, Ind.  
Approved.

The meeting adjourned at 1:10 p.m.

  
Asst. Secretary.

Approved:

  
Vice Governor.