

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, May 18, 1926, at 11:30 a.m.

PRESENT: Vice Governor Platt
 Mr. Hamlin
 Mr. Miller
 Mr. James
 Mr. Cunningham
 Mr. Eddy, Secretary
 Mr. McClelland, Asst. Secretary

The minutes of the meeting of the Federal Reserve Board held on May 11th were read and approved.

The minutes of the meetings of the Executive Committee held on May 12th were read and upon motion the actions recorded therein were ratified.

Matter approved on initials on May 17th, namely, application for permission to exercise general trust powers made by the Peoples Trust Company of Brooklyn on behalf of "The Peoples Trust Company of Brooklyn National Banking Association", approval to take effect as of the date the conversion of the Peoples Trust Company into a national banking association takes place.

Formally approved.

Letter dated May 13th from the Secretary of the Federal Reserve Bank of New York advising that at the meeting of the Board of Directors on that day the bank's existing schedule of rates of discount and purchase was presented and no changes were made.

Noted.

Telegram and letter dated May 13th from the Chairman of the Federal Reserve Bank of Richmond advising that at the meeting of the Board of Directors on that day the following minimum rates for purchases of bankers acceptances were established:

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1 to 15 days	3 $\frac{1}{4}$ %
16 to 60 days	3 $\frac{3}{8}$ %
61 to 90 days	3 $\frac{5}{8}$ %

Noted with approval.

Telegram dated May 14th from the Chairman of the Federal Reserve Bank of Atlanta advising that the Board of Directors on that day adopted the following schedule of rates for purchases of bankers acceptances:

1 to 15 days	3 $\frac{1}{8}$ %
16 to 60 days	3 $\frac{1}{4}$ %
61 to 150 days	3 $\frac{1}{2}$ %
151 to 180 days	4%

Noted with approval.

Telegram dated May 13th from the Chairman of the Federal Reserve Bank of Kansas City 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.

Report of Committee on Salaries and Expenditures on letter dated May 10th from the Chairman of the Federal Reserve Bank of St. Louis requesting approval of the action of the Executive Committee of that bank in voting to grant leave of absence on account of illness to Miss Fay Whiting, of the Transit Department, for not to exceed thirty days from April 23rd with full pay; the Committee recommending approval.

Approved.

Report of Committee on Salaries and Expenditures on letter dated May 13th from the Chairman of the Federal Reserve Bank of Richmond requesting approval of the action of the Board of Directors of that bank in granting thirty day extensions with full pay in leaves of absence on account of illness previously granted Miss Charlotte Meade, of the head office, and Miss

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Lillian Carroll, of the Baltimore branch; the Committee recommending approval.

Approved.

Report of Committee on Salaries and Expenditures on letter dated May 12th from the Governor of the Federal Reserve Bank of Cleveland requesting approval of a contribution of \$500 by that bank to a fund being raised to meet the expenses of the annual convention of the Ohio Bankers' Association to be held in Cleveland in June; the Committee recommending approval.

Approved.

Report of Committee on Salaries and Expenditures on letter dated May 13th from the Chairman of the Federal Reserve Bank of Philadelphia requesting approval of the appointment of Mr. Z. G. Fenner as assistant to examiners in the Bank Examination Department at a salary of \$2,800 per annum, effective June 1st; the Committee recommending approval.

Approved.

Letter dated May 14th from the Chairman of the Federal Reserve Bank of New York replying to letter addressed to him by the Governor of the Board under date of May 13th with regard to Mr. Theodore F. Whitmarsh continuing as a Class "B" Director of the Federal Reserve Bank and at the same time as trustee of the Greenwich savings Bank of New York, in view of the recent opinion of the Attorney General holding trustees of mutual savings banks to be ineligible for service as Federal reserve bank directors; the Chairman stating that Mr. Whitmarsh has been advised of the position of the Board and has intimated that he would probably arrange to resign from the Greenwich Savings Bank.

Noted.

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Letter dated May 15th from the Chairman of the Federal Reserve Bank of Philadelphia with reference to the application to two directors of that bank of the recent opinion of the Attorney General holding that officers and trustees of mutual savings banks are ineligible for service as Federal reserve bank directors; the Chairman inquiring whether the directors affected by the ruling should be advised to resign at once or to wait until the expiration of their terms.

Upon motion, it was voted to be the sense of the Board that directors of Federal reserve banks serving with mutual savings banks or societies should, if they wish to continue with the Federal reserve bank, immediately sever their connection with such mutual savings banks or societies.

In this connection, the Secretary was instructed to bring to the attention of the Board any case not previously reported of a Federal reserve bank director holding office with a mutual savings bank in order that steps may be taken to enforce the recent ruling of the Attorney General affecting these directors.

Letter dated May 15th from the Assistant Federal Reserve Agent at New York advising of the receipt of confidential information that the boards of directors of the First National Bank and Trust Company and the Oneida County Trust Company, both of Utica, New York, have decided to merge the two institutions under the name "First Bank and Trust Company", giving up the national charter.

Noted.

Matter approved on initials on May 15th, namely, memorandum dated May 11th from the Chief of the Division of Bank Operations recommending that the Federal Reserve Agents be instructed to secure asset and liability figures of all reporting member banks as soon as practicable after the close of business each Wednesday, and to dispatch their wire or mail reports to the Board promptly after receipt of the figures - in no case later than at

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the close of business on Saturday - and that the Board's weekly statement showing the condition of reporting member banks be mimeographed on Monday morning and delivered to the press at three o'clock for immediate release; the Chief of the Division suggesting, if the above procedure is approved by the Board, that the advance in the release date be made effective beginning with the statement for May 12th, which would be issued for immediate release at three o'clock on Monday, May 17th.

Formally approved.

Matter approved on initials on May 15th, namely, memorandum dated May 14th from the Chief of the Division of Bank Operations suggesting that beginning with the statement of condition of reporting member banks as of May 12th the statement show separately time and demand loans to brokers and dealers secured by stocks and bonds made by reporting member banks in New York City.

Formally approved.

Letter dated May 13th from the Chairman of the Federal Reserve Bank of New York summarizing the results of a questionnaire on business conditions sent out to its members by the National Hardware Association.

Ordered circulated.

Letter dated May 14th from Mr. H. W. Forster, of Brown, Crosby & Company, insurance brokers of Philadelphia, requesting an opportunity to appear before the Board in connection with the Federal reserve pension plan.

Noted without action.

Letter dated May 17th from Mr. Robert F. Barnett, of Sterrett and Acheson, Pittsburgh, requesting a certified copy of a press release which he stated was made by the Board on May 14, 1926, with reference to commodity

prices.

After discussion, the Secretary was directed to furnish Mr. Barnett with a copy of the Federal Reserve Bulletin for May which contains the formal statement of the Board, differing somewhat from the phrasing used in the newspaper statement.

At the request of Mr. James, special order was fixed for Thursday morning at 10:30 o'clock to receive the formal detailed report of the committee appointed to investigate the recent financial disturbance in Cuba. Mr. James stated that copies of the report would be furnished to the members of the Board in advance of the meeting.

REPORTS OF STANDING COMMITTEES:

Dated, May 12th, 13th, 14th, 15th, 17th, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.
Approved.

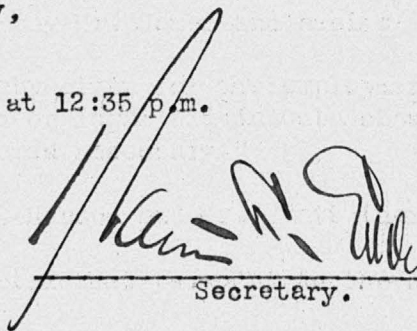
Dated, May 11th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Approved.

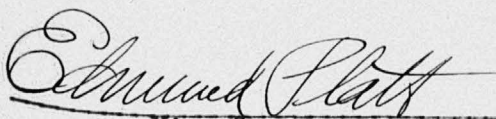
Dated, May 12th, 17th, Recommending action on applications for admission of state banks, subject to the conditions stated in the individual reports attached to the applications, as set forth in the Auxiliary Minute Book of this date.
Approved.

Dated, May 17th, Recommending approval of the application of Mr. Francis J. Arend for permission to serve at the same time as director of the Fidelity Trust Company of New York City and as director of the Allenhurst National Bank of Allenhurst, New Jersey,
Approved.

The meeting adjourned at 12:35 p.m.

Approved:


Secretary.


Vice Governor.