

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Vice Governor on Tuesday, June 22, 1926 at 11:45 a.m.

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

The Secretary reported that in accordance with the instructions of the Executive Committee at its special meeting this morning he had communicated to Mr. Joseph L. Campbell, Deputy Governor of the Federal Reserve Bank of Atlanta, both by telephone and telegraph, the action of the committee in voting to postpone Mr. Campbell's hearing scheduled for tomorrow until a date later to be fixed by the Board; his telegraphic advice having been as follows:

"Referring previous wire. Owing to illness members Federal Reserve Board it is impossible for a quorum of Board to be present tomorrow and Executive Committee of the Board today voted to postpone hearing to a date later to be communicated to you by the Board. Please acknowledge."

Matter approved on initials on July 19th, namely, application of the National Exchange Bank, Providence, R. I. for the surrender of 1350 shares of stock in the Federal Reserve Bank of Boston.

Formally approved.

Matter approved on initials on June 19th, namely, application of the First National Bank of Butler, Okla. for the surrender of 21 shares of stock in the Federal Reserve Bank of Kansas City.

Formally approved.

Mr. Platt then stated that he was the only member of the Committee on Examinations present today and he, therefore, referred to the Executive

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Committee the application of the Trust Company of Northern Virginia, Rosslyn, Va. for membership in the Federal Reserve System, and for 55 shares of stock in the Federal Reserve Bank of Richmond, together with the recommendation of the Federal Reserve Bank and the Board's sub-committee, concurred in by him, that the application be refused.

Ordered circulated and referred to the Board.

Telegram dated June 16th from the Chairman of the Federal Reserve Bank of Boston, reporting rates of discount and purchase in effect at that bank.

Noted.

Letter dated June 17th from the Secretary of the Federal Reserve Bank of New York, advising that the board of directors on that day reviewed the bank's existing schedule of rates of discount and purchase and made no change.

Noted.

Telegram dated June 16th from the Chairman of the Federal Reserve Bank of Philadelphia, 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 June 16th from the Chairman of the Federal Reserve Bank of St. Louis, 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.

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Telegram dated June 16th from the Secretary of the Federal Reserve Bank of Minneapolis, advising that the board of directors of the Bank on June 14th approved the following rates for purchases of bankers' acceptances:

1 to 30 days	-	3 1/8%
31 to 90 days	-	3 1/4%
91 to 120 days	-	3 1/2%
121 to 180 days	-	4%
Sales contract	-	3 1/2%

Noted, with approval.

Telegram dated June 17th from the Deputy Chairman of the Federal Reserve Bank of San Francisco, advising that due to lack of a quorum no meeting of the board of directors of the Bank was held on that day.

Noted.

The Vice Governor then read to the Board the following letter:

"June 14, 1926.

Mr. Walter L. Eddy, Secretary,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Eddy:

I have received your letter of June 12th, and as requested, have communicated to Mr. Jos. L. Campbell in person the information that the hearing referred to in your letter of June 9th, which was scheduled to be held in the Board Room of the Treasury Building in Washington at 10 o'clock a.m. on Wednesday, June 16th, has been postponed and will be held on Wednesday, June 23rd, at 10 o'clock a.m.

Very truly yours,

(S) Oscar Newton,
Chairman."

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Letter dated June 16th from the Comptroller of the Currency, recommending approval of a salary of \$4500 per annum for National Bank Examiner R. Foster Lamm, to be assigned to the 12th Federal Reserve District.

Approved.

Letter dated June 18th from the Comptroller of the Currency, requesting approval of a salary of \$10,000 per annum for Mr. F. D. Williams who has been appointed Chief National Bank Examiner of the First Federal Reserve District.

Approved.

Report of Committee on Salaries and Expenditures on letter dated June 18th from the Chairman of the Federal Reserve Bank of St. Louis, requesting approval of the action of the Executive Committee in granting an extension of 60 days from May 13th in leave of absence with full pay on account of illness granted to Miss Grace Toler, a clerk in the Transit Department of the Bank; the Committee recommending approval.

Approved.

Letter dated June 14th from the Chairman of the Federal Reserve Bank of Minneapolis, advising that the board of directors have appointed Mr. H. L. Zimmerman, now Assistant Federal Reserve Agent and Auditor at the Helena Branch, to the position of Cashier of the Branch at a salary of \$4,000 per annum, to succeed Mr. Henry F. Brown, whose resignation has been accepted effective July 1, 1926; the Chairman also stating that it is their intention to abolish the position of Assistant Federal Reserve Agent and Auditor at the Branch.

After discussion, it was voted to approve the salary recommended for Mr. Zimmerman, but the Secretary was directed to address an inquiry

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to the Chairman of the Mimeoapolis Bank, with reference to the abolishment of the office of Assistant Federal Reserve Agent and request information as to whether after July 1st any stock of unissued Federal Reserve notes is to be held at the Helena Branch, or whether all shipments made after that date are to be received at the Branch as issued notes.

Report of Committee on Salaries and Expenditures on letter dated June 14th from the Federal Reserve Agent at Dallas, requesting approval of the action of the board of directors of that bank in voting to increase the salary of Mr. E. B. Schwulst, Manager of the Loan Department, from \$3300 to \$3900 per annum, effective July 1st; the Committee also recommending approval.

Approved.

Report of Committee on Examinations on memorandum dated June 15th from the Comptroller of the Currency, recommending approval of an application of The National Bank of Petersburg, Va. for permission to reduce its capital from \$600,000 to \$400,000; the Committee recommending approval on condition that the funds released by the reduction be used for the purpose of taking out losses in the bank's assets.

Upon motion, it was voted to approve the recommendation of the Committee.

Letter dated June 21st from the Federal Reserve Agent at New York, advising that the Mechanics Bank of Brooklyn has been authorized by the State Banking Department to open and maintain a branch on or after June 23rd at 335 Fulton Street, Jamaica, Queens Borough, New York City.

Noted.

Report of Committee on Examinations on letter dated June 15th from the Federal Reserve Agent at Mimeoapolis, recommending approval of an ap-

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plication of the Belgrade State Bank, Belgrade, Montana, for approval of its action in absorbing the Farmers Bank of Belgrade; the Committee recommending approval.

Approved.

Memorandum dated June 21st from the Librarian, advising that in accordance with the Board's action of May 6th the Library of Congress was approached on the question of its willingness to compile a bibliography of the Federal Reserve System and that the Library of Congress not having been disposed to consider the matter, the Board's Library has begun work on bibliographies of the System and of legislation thereon.

Noted.

Letter dated June 19th from Deputy Governor Harrison of the Federal Reserve Bank of New York, stating that because of the interest displayed by institutions in the Second District which are represented in Cuba, it is hoped that the Board will advise the Federal Reserve bank of whatever decision it may reach after it has had an opportunity to consider the matter of the supply of currency to be carried by the Cuban agency.

Noted.

In connection with the preparation of the usual resolution to be adopted by the Board for the purpose of levying its regular semi-annual assessment on the Federal Reserve banks to cover the expenses of the Board during the last half of the year, the Secretary stated that an Act of Congress, recently approved, provides for an increase of \$2.00 a day in the per diem expenses of employees traveling on official business. The Secretary stated that this provision of law would probably necessitate

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a larger expenditure for traveling expenses during the last half of the current year than is contemplated by the Board's budget.

After discussion, the Secretary was authorized to take this increased expense into consideration in preparing the assessment resolution to cover expenses during the last half of the year.

Memorandum from Counsel dated June 15th submitting draft of reply to letter dated June 9th from the Assistant Federal Reserve Agent at San Francisco, inquiring whether an item carried on the books of a member bank under the caption "Bills of Exchange Purchased" may be considered an item due from banks in computing reserves; the proposed reply stating that in computing its reserves a member bank may not properly deduct from "Due To" bank balances sight drafts drawn upon individuals, firms or corporations until they have actually been collected and the proceeds have been credited to the account of the forwarding bank.

Upon motion, the proposed reply was approved.

Memorandum from Counsel dated June 16th, with reference to the application of the National American Bank of New York City, for permission to purchase one share of the stock of the First Federal Foreign Investment Trust, the recently organized Edge Corporation, and the informal application of Mr. Julian M. Gerard for the Board's permission to serve at the same time as president and director of the National American Bank and as director of the First Federal Foreign Investment Trust; Counsel stating that the stock application is in proper legal form and he knows of no legal reason why it should not be approved, and further, that no particular form is required for the interlocking directorate application which he also recommends be approved.

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Upon motion, both applications were approved.

Memorandum from Counsel with reference to the application of Mr. F. Abbot Goodhue to serve the First National Bank of Boston and the International Acceptance Securities and Trust Company of New York City, and the application of Mr. Paul M. Warburg to serve the First National Bank of Boston, The Farmers Loan and Trust Company of New York City and the International Acceptance Securities and Trust Company of New York City; Counsel stating that these gentlemen are also serving as directors of the American Continental Corporation of Delaware which, however, is not a bank within the meaning of the Clayton Act, and submitting drafts of letters advising that the applications are unnecessary inasmuch as the aggregate resources of the International Acceptance Securities and Trust Company are less than \$5,000,000, and it does not come within the prohibitions of the Clayton Act.

Upon motion, the proposed letters were approved.

Report of Committee on Examinations on letter dated June 16th from the Federal Reserve Agent at Chicago, transmitting and recommending approval of an application of the Grant Trust and Savings Company, Marion, Ind. for approval of its action in absorbing the Citizens Trust and Savings Company of Marion; the Committee also recommending approval.

Approved.

REPORTS OF STANDING COMMITTEES:

Dated, June 17, Recommending changes in stock at Federal Reserve Banks
 18, as set forth in the Auxiliary Minute Book of this date.
 19, Approved.
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REPORTS OF STANDING COMMITTEES: (Cont'd)

- Dated, June 18th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Approved.
- Dated, June 11th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Refused.
- Dated, June 16th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Refused.
- Dated, June 15th, Recommending approval of the application of Mr. Stanley A. Clark for permission to serve at the same time as director of the Citizens National Bank and as director of the Citizens Trust and Savings Bank, both of South Bend, Ind.
Approved.
- Dated, June 15th, Recommending approval of the application of Mr. John D. Dunlop for permission to serve at the same time as president and director of the First National Bank of Spring Valley, N. Y. and as Vice President and director of the Nyack National Bank of Nyack, N. Y.
Approved.
- Dated, June 15th, Recommending approval of the application of Mr. Vincent Astor for permission to serve at the same time as director of the County Trust Company of New York, as trustee of the United States Trust Company of New York and as director of the National Park Bank of New York, all of New York City.
Approved.
- Dated, June 17th, Recommending approval of the application of Mr. Samuel B. Dobbs for permission to serve at the same time as Vice President of the Collingswood National Bank of Collingswood, N.J. and as director of the Broadway Trust Company of Camden, N.J.
Approved.
- Dated, June 18th, Recommending approval of the application of Mr. Meyer Kusey for permission to serve at the same time as president and director of the Peoples National Bank, as president and director of the South Side National Bank and Trust Company and as president and director of the West Side Trust Company, all of Newark, N. J.
Approved.
- Dated, June 19th, Recommending approval of the application of Mr. Emanuel Heyman for permission to serve at the same time as director of the Peoples National Bank, as director of the South Side National Bank and Trust Company and as director of the West Side Trust Company, all of Newark, N. J.
Approved.

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, June 19th, Recommending approval of the application of Mr. Samuel Schechner for permission to serve at the same time as director of the Peoples National Bank and as director of the West Side Trust Company, both of Newark, N. J.

Approved.

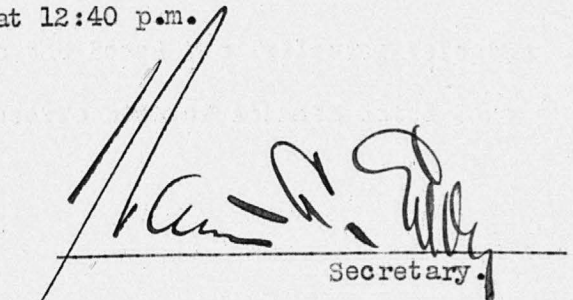
Dated, June 19th, Recommending approval of the application of Mr. Ray Mayham for permission to serve at the same time as Vice President and Director of the Peoples National Bank, as Vice President and Director of the South Side National Bank and Trust Company and as Vice President and Director of the West Side Trust Company, all of Newark, N. J.

Approved.

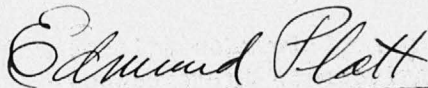
Dated, June 19th, Recommending approval of the application of Mr. N. D. Maher for permission to serve at the same time as director of the First and Merchants National Bank of Richmond, Va. and as director of the First National Exchange Bank of Roanoke, Va.

Approved.

The meeting adjourned at 12:40 p.m.


Secretary.

Approved:



Vice-Governor.