

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, October 6, 1926, at 3:10 p.m.

PRESENT: Governor Crissinger
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Cunningham
Mr. Eddy, Secretary
Mr. McClelland, Assistant Secretary

The Governor stated that the meeting had been called for the purpose of considering a form of telegram to be sent to the Federal Reserve Banks of Richmond, Atlanta, St. Louis and Dallas, in accordance with the action of the Board at this morning's meeting in approving a suggestion made by Mr. James that these banks be requested to advise the Board as to what their policy is regarding loans on cotton.

Following a detailed discussion, upon motion, it was unanimously voted that the following telegram should be transmitted to the Chairmen of the Federal reserve banks mentioned:

"Rumors have reached Board that bankers in cotton territory are being pressed to lower rediscounts. Please advise Board fully of situation in your district and policy of your bank concerning advances on paper secured by cotton and also whether or not additional collateral has been asked of any member bank on previous rediscounts secured by cotton which have not matured."

The Governor then presented to the Board the following telegram addressed to the Federal Reserve Agent at San Francisco, advising of the Board's action this morning with respect to the application of the Mercantile Trust Company of California for permission to take over the American Bank of San Francisco and its branches:

"It being understanding of Board, based on information from Federal Reserve Bank of San Francisco, supplemented

10/6/26

-2-

by details contained in a telegram from the President of Mercantile Trust Company and a letter from Mr. Herman Phleger, representative of the bank, that capital and surplus of Mercantile Trust Company on completion of merger will be not less than \$18,000,000 and it being further understood that substantial reductions will be made in amount of investments in bank premises and other real estate, Board today approved application of Mercantile Trust Company to take over American Bank of San Francisco and its branches."

Approved.

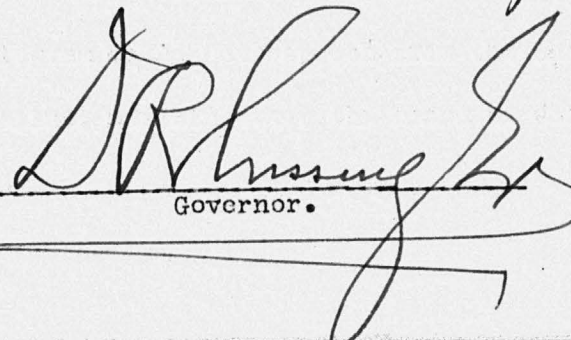
Mr. Hamlin then referred to the fact that the Board has received from the Federal Reserve Bank of Atlanta a copy of the report made by the Committee of Directors of that bank appointed to investigate circumstances in connection with the shipment of currency made by the bank to its Havana Agency on April 10th, together with advice of the action of the Board of Directors on the report.

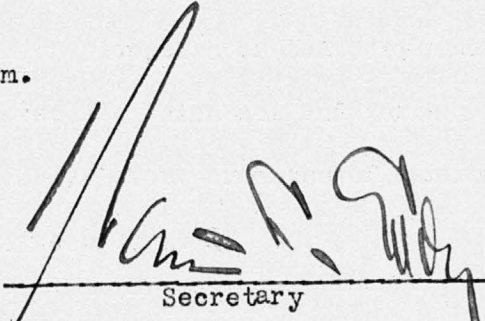
These documents having been circulated among the members of the Board, Mr. Hamlin moved that the Board set down as a special order of business for a meeting to be held tomorrow at 10:30 a.m., consideration of action to be taken by the Board in connection with its proceedings against Mr. Joseph L. Campbell, Deputy Governor of the Atlanta bank.

Carried.

The meeting adjourned at 3:50 p.m.

Approved:


Governor.


Secretary