

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Vice Governor on Thursday, October 28, 1926 at 12:15 a.m.

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

PRESENT ALSO: Mr. James

Mr. James stated that Mr. Yohe of the Department of Agriculture called on him this morning, with reference to a meeting which he had with an association of canners regarding the systematizing of methods of handling their products and cooperation with the Department of Agriculture in the administration of the Warehouse Act. Mr. James reported that there was a probability of a movement to standardize the credit situation as regards this industry and that Mr. Yohe had suggested it might be desirable for him to come before the Board for the purpose of discussing it. Mr. James stated he had suggested instead that at the time of the Conferences of Governors and Federal Reserve Agents Mr. Yohe might appear before them.

Mr. James inquired as to the attitude of the other members toward this suggestion and no objection being expressed, he moved that the Secretary of the Board be authorized to communicate with Mr. Yohe at the time of the Conferences and advise him when it will be most convenient to have him appear.

Mr. James' motion being put by the Chair was carried.

Application of The Central National Bank of the City of New York, approved by the Law Committee, for permission to act as trustee, executor,

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administrator, registrar of stocks and bonds, guardian of estates, assignee, receiver, committee of estates of lunatics and in any other fiduciary capacity in which state banks, trust companies and other corporations which come into competition with national banks are permitted to act under the laws of the State of New York; together with a memorandum from Counsel dated October 25th advising that this application was filed under authority of a resolution passed by the Executive Committee of the bank instead of a resolution passed by the board of directors, and suggesting that if the Board approves the application its approval be made effective only if and when the full board of directors of the bank passes a resolution ratifying the action taken by the Executive Committee.

Upon motion, it was voted to approve the application of The Central National Bank of the City of New York for permission to exercise general fiduciary powers effective if and when the board of directors of the bank passes a resolution ratifying the action taken by the Executive Committee in authorizing the application.

Memorandum dated October 27th from the Secretary recommending that Bliss Plaine, messenger, be granted a sixty-day leave of absence, without pay, beginning October 29, 1926.

Approved.

The Secretary then requested authority to employ a messenger temporarily for a period of sixty days to fill the vacancy caused by the leave of absence just granted to Bliss Plaine and authority to employ one additional messenger permanently, the latter to be detailed to serve the Divisions to be moved into the Treasury Building from the Otis Building in the course

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of the next day or so and both appointments to be at the rate of \$1,000 per annum.

Upon motion, the authority requested by the Secretary was granted.

Report of Committee on Salaries and Expenditures on letter dated October 21st from the Chairman of the Federal Reserve Bank of San Francisco, requesting approval of the action of the board of directors of that bank in voting to grant to Mr. Hans Flo, an employee of the Salt Lake City Branch, a leave of absence with full pay, on account of illness, for three months from October 1, 1926; the Committee recommending approval.

Approved.

Report of Committee on Examinations on memorandum dated October 26th from the Acting Comptroller of the Currency, recommending approval of an application of the Winder National Bank, Winder, Ga. for permission to reduce its capital stock from \$200,000 to \$100,000 on condition that no money be returned to the shareholders but that the amount of the reduction, together with the necessary amount of undivided profits and possibly surplus, be applied to take out losses and doubtful paper where loss is probable and, in view of the large amount of reported slow and doubtful assets, that the charged off items be set aside and recoveries therefrom credited to the undivided profits account rather than trusted in the interest of shareholders of record at the date of reduction; the Board's Committee also recommending approval.

Upon motion, it was voted to approve the above application subject to the conditions recommended by the Acting Comptroller.

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Report of Committee on Examinations on the matter referred to it at the meeting on October 21st, namely, letter dated October 19th from the Assistant Federal Reserve Agent at New York, with reference to the contemplated merger of the Irving Bank and Trust Company and the American Exchange - Pacific National Bank, both of New York City; the Committee recommending approval of the proposed merger.

Approved.

Memorandum dated October 27th from the Chief of the Division of Bank Operations, with reference to reporting bills which the Federal Reserve banks may purchase from the National Bank of Belgium under the authority granted by the Board on October 5, 1926; the memorandum stating it is assumed that the same procedure is to be followed as was approved by the Board in connection with bills that might have been acquired under the credit granted the Bank of England, namely, that they be included in the weekly statement with other "Bills bought in open market" and shown in the Federal Reserve Bulletin as "Bills payable in foreign currencies", in the detailed statement of the volume of bills purchased during the month and of holdings at the end of the month; the memorandum also suggesting that it might be desirable to make some brief reference in the statement following the first purchase of bills as:

"The Federal Reserve banks made the first purchase of bills under the credit recently established for the National Bank of Belgium on (date). The amount of the bills purchased, \$____, is included with other 'Bills bought in open market'."

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After discussion, it was voted that purchases of Belgian bills should be reported in the same manner as approved for the British bills and that a reference along the lines suggested by the Chief of the Division of Bank Operations be made in the statement following the first purchase.

The Secretary then stated that Mr. Goldenweiser, Acting Director of the Board's Division of Research and Statistics had spoken to him with reference to the publication in the Federal Reserve Bulletin of a brief article regarding the authority granted by the Board for the purchase of these Belgian bills, with some reference to the plan for Belgian currency reform, and had suggested the publication in this connection of the Royal Decree of Monetary Stabilization issued by the King of Belgium.

After discussion, upon motion by Mr. Cunningham, it was voted that no article referring in any way to the Belgian credit or the plan for Belgian currency reform should be printed in the Bulletin without first having been approved by the Board.

Report of Executive Committee on letter dated October 27th from the Acting Comptroller of the Currency, requesting approval of a salary of \$3300 per annum for National Bank Examiner Harry A. Laird, to be assigned to the Seventh Federal Reserve District; the Committee recommending approval.

Approved.

Letter dated October 25th from the Secretary of the Federal Advisory Council, advising that the next meeting of the Council will be held in Washington on Friday, November 19th, and requesting a list of topics which the Federal Reserve Board desires the Council to consider.

After a brief discussion, it was understood that the Executive Committee would report back to the Board a list of topics for consideration at the meeting of the Council.

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Memorandum from the Secretary dated October 28th, submitting replies received by the Board from the Federal Reserve Agents to the Board's letter of September 23, 1926 (X-4676) with reference to the procedure in connection with the election of Class A and B directors of the Federal Reserve banks, together with a memorandum from the Assistant Secretary summarizing these replies.

Ordered circulated.

REPORTS OF STANDING COMMITTEES:

Dated, October 27th, Recommending changes in stock at Federal Reserve Banks as set forth in the Auxiliary Minute Book of this date.
Approved.

Dated, October 26th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Approved.

Dated, October 26th, Recommending approval of the application of Mr. William N. Hutchinson for permission to serve at the same time as director of the Bayonne National Bank, Bayonne, N. J. and as director of the Bayonne Trust Company, Bayonne, N. J.

Approved.

Dated, October 26th, Recommending approval of the application of Mr. William L. Barrell for permission to serve at the same time as director of the Atlantic National Bank, Boston, Mass. as director of the Granite Trust Company, Quincy, Mass. and as director of the Bay State National Bank, Lawrence, Mass.

Approved.

Dated, October 26th, Recommending approval of the application of Mr. Charles W. Bailey for permission to serve at the same time as Director & Vice President of the Atlantic National Bank, Boston, Mass. and as Director of the Granite Trust Company Quincy, Mass.

Approved.

Dated, October 26th, Recommending approval of the application of Mr. Henry L. Kincaide for permission to serve at the same time as Director of the Atlantic National Bank, Boston, Mass. and as Director of the Granite Trust Company, Quincy, Mass.

Approved.

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REPORTS OF STANDING COMMITTEES: (Cont'd)

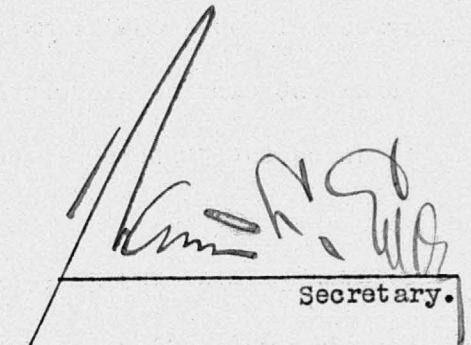
Dated, October 26th, Recommending approval of the application of Mr. Harry A. Smith for permission to serve at the same time as director of the Central National Bank, New York City, N. Y. and as director of the Phoenix State Bank & Trust Company, Hartford, Conn.

Approved.

Dated, October 26th, Recommending approval of the application of Mr. Joseph H. Reaney for permission to serve at the same time as President of the First National Bank, St. Johnsville, N. Y. and as director of the First Bank & Trust Company, Utica, N. Y.

Approved.

The meeting adjourned at 1:00 p.m.



Secretary.

Approved: Edmund Platt
Vice Governor.