

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Governor on Thursday, May 24, 1928 at 10:45 a.m.

PRESENT: Governor Young
 Mr. Platt
 Mr. James
 Mr. Cunningham
 Mr. Eddy, Secretary
 Mr. McClelland, Asst. Secretary

Report of Law Committee on application of the Industrial National Bank and Trust Company of New York, N. Y. (organizing) for permission to exercise general fiduciary powers, if and when authorized by the Comptroller of the Currency to commence business; together with a recommendation from the Federal Reserve Agent at New York that the application be not approved until the directors of the proposed institution have demonstrated for at least one year their ability to properly and profitably operate a bank at the proposed location. In its report, the Committee stated that the Comptroller of the Currency strongly recommends that the application be approved and recommended that it be approved, effective if and when the Comptroller authorizes the bank to commence business and on condition that at that time the paid-in capital of the bank be equal in amount to that required of state banks and trust companies in New York.

After discussion, it was voted to refer the above application and report to the full Board for action.

Letter dated May 21st from the Secretary of the Federal Reserve Bank of Minneapolis, advising that the rate of $4\frac{1}{2}\%$ for purchases of bankers acceptances maturing within from 121 to 180 days, reported in the Chairman's telegram of May 18th, was in error and that the rate should have been reported as $4\frac{1}{4}\%$.

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Without objection, noted with approval.

Letters dated May 18th from the Chairman of the Federal Reserve Bank of Boston, the Secretary of the Federal Reserve Bank of Cleveland and the Chairman of the Federal Reserve Bank of Dallas, advising of the establishment on that date of the following rates for purchases of acceptances:

Bankers	-	1 to 120 days	-	4%
		121 to 180 days	-	4 1/4%
Trade	-	Repurchase	-	4%
				4 1/2%

Without objection, noted with approval.

Letter dated May 22nd from the Chairman of the Federal Reserve Bank of Atlanta, advising of the establishment, effective May 23rd, of the following rates for purchases of bankers acceptances:

1 to 120 days	-	4%
121 to 180 days	-	4 1/4%
Repurchase	-	4%

Without objection, noted with approval.

Letter dated May 19th from the Chairman of the Federal Reserve Bank of Kansas City, advising of the establishment, effective May 18th, of the following rates for purchases of bankers acceptances:

1 to 120 days	-	4%
121 to 180 days	-	4 1/4%

Without objection, noted with approval.

Telegram dated May 23rd from the Chairman of the Federal Reserve Bank of Boston, advising that the board of directors at its meeting on that date made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

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Report of Committee on Salaries and Expenditures on letter dated May 18th from the Federal Reserve Agent at Kansas City, advising of the action of the Executive Committee of that bank in voting to extend for a period of 60 days from May 1st, with half pay, leave of absence on account of illness previously granted Miss Marguerite E. Kihm, an employee of the Discount Department; the Board's Committee recommending approval of the salary payment involved.

Approved.

Report of Committee on Salaries and Expenditures on letter dated May 21st from the Deputy Governor of the Federal Reserve Bank of New York, transmitting list of employees for whom the directors approved leaves of absence with pay on account of illness during the month of April, where the total of such absences since January 1, 1928 has exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

The Secretary then presented a circular issued by the Secretary of the Treasury, advising that under the Executive Order issued last year the Treasury Department will be closed for one-half day on Saturday for the period from June 2nd to September 29th, inclusive.

Upon motion, it was voted that the same hours should be made effective for the staff of the Board.

Letter dated May 21st from the Federal Reserve Agent at Atlanta, requesting approval of the appointment of Mr. R. A. Radford as a Federal Reserve Examiner, at a salary of \$2500 per annum, effective May 1, 1928.

Approved.

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Memorandum dated May 21st from the Assistant Secretary, recommending approval of a change from two days to one day in the Interdistrict Time Schedule from Louisville to Cleveland; the Assistant Secretary stating that the change is agreeable to the Federal Reserve Banks of Cleveland and St. Louis.

Approved.

Letters dated May 19th from the Federal Reserve Agent at Kansas City, reporting that the First National Bank, Hartington, Neb. and the Farmers National Bank, Yale, Okla. were deficient in their reserves during each of the semi-monthly reserve periods for six consecutive months ending April 1, 1928; the Agent stating that as a result of recent correspondence with the banks he believes they will maintain satisfactory reserve balances in the future and, therefore, recommends that no action for forfeiture of the charters by the Comptroller of the Currency be taken at this time.

Upon motion, the recommendations of the Federal Reserve Agent were approved.

Memorandum from Counsel dated May 21st recommending that there be published in the forthcoming issue of the Federal Reserve Bulletin the text of the Act approved May 7, 1928, amending Section 9 of the Federal Reserve Act, to provide for the designation of state member banks as depositories of public money.

Approved.

Letter dated May 17th from the Chairman of the Federal Reserve Bank of Boston, inquiring how long ballots cast in elections of Class A and B directors should be retained after having been counted and certified.

Referred to Counsel.

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Memorandum from Counsel dated May 22nd, submitting draft of reply to letter dated May 21st from the Assistant Federal Reserve Agent at New York, inquiring whether permission granted by the Board in 1919 to the Bank of America of New York City to accept drafts and bills of exchange drawn upon it up to 100% of capital and surplus passes to the Bank of America National Association, formed as a result of the conversion of the Bank of America and subsequent consolidation with the Commercial Exchange National Bank and the Bowery and East River National Bank; the proposed reply stating that the Bank of America National Association should make application under its present title for permission to exercise the privilege referred to.

Upon motion, the proposed letter was approved.

Draft of letter to the Federal Reserve Agent at Atlanta, with reference to application, filed by the Comptroller of the State of Florida, for cancellation of stock in the Federal Reserve Bank of Atlanta standing in the name of the Southern Bank and Trust Company, Miami, Fla.; the proposed reply stating that since the Southern Bank and Trust Company has not been declared insolvent and a receiver appointed for it and has not been placed in voluntary liquidation, the application filed by the Comptroller of the State of Florida can not be approved by the Board, and the membership of the bank may be terminated only after six months' written notice of intention to withdraw from the System or upon forfeiture of its membership by the Board under Section 9 of the Federal Reserve Act. The proposed letter stated further that if forfeiture of membership is desired by the bank, the Federal Reserve Agent is requested to advise the Board with his recommendation as to whether it should be expelled and to state whether or not there are any

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grounds for expulsion.

After discussion, the proposed letter was approved and ordered transmitted.

Letter dated May 19th from Mr. Julius Spiegel, New York City, inquiring as to the organization of a corporation under Section 25 (a) of the Federal Reserve Act, to be known as the "International Trading Bank", if such a title is available.

Referred to Counsel.

Letter dated May 18th from the Secretary of the Governors' Conference, transmitting minutes of the Conference held in Washington on April 30th - May 2nd.

The Secretary reported that a copy of the minutes has been handed to each member of the Board, and the Governor stated that the actions and recommendations of the Governors' Conference will be made special order of business for a subsequent meeting of the Board.

Draft of letter to the Secretary of the Treasury, replying to his letter of May 3, 1928, with reference to the placing of orders for the delivery of Federal Reserve Notes during the months of May and June at the rate of 75,000 sheets per day; the reply stating that the Treasury's proposal meets with the approval of the Board and accordingly orders have been placed with the Bureau of Engraving and Printing for the delivery of 75,000 sheets of notes a day during the period from May 11th to May 31st, and that an order will be given to the Bureau in the course of the next two weeks for the delivery of 75,000 sheets of notes per day during the month of June.

Upon motion, the proposed letter was approved.

The Secretary also presented draft of a letter to all Federal Reserve

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Agents, requesting that each Agent estimate and advise the Board of the length of time after July 1, 1928 that requirements of his bank, at the present rate of issue, for each denomination of Federal Reserve Notes can be met from the stock of unissued notes in his custody and in Washington.

Approved.

Report of Examination of the Federal Reserve Bank of Richmond and its Branches, made as at the close of business January 4, 1928.

Referred to the Committee on District #5.

Report of Examination of the Federal Reserve Bank of Atlanta, its Branches and Agencies, made as at the close of business January 21, 1928.

Referred to the Committee on District #6.

The Governor referred to the matter which on May 7th was made special order of business for today, namely, the question of requiring daily computation of reserves by member banks in all Federal Reserve Bank and Branch cities, based upon deposits as at the opening of business. He stated that due to lack of a quorum the matter will be postponed until the next regular meeting of the Board.

REPORTS OF STANDING COMMITTEES:

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| Dated, May 19th, | Recommending changes in stock at Federal Reserve banks |
| 23rd, | as set forth in the Auxiliary Minute Book of this date. |
| 24th, | Recommendations approved. |
| Dated, May 17th, | Recommending action on applications for fiduciary powers |
| 18th, | as set forth in the Auxiliary Minute Book of this date. |
| 19th, | Recommendations approved. |
| 21st, | |
| 22nd, | |
| Dated, May 8th, | Recommending approval of the application of Mr. Jesse A. Bloch for permission to serve at the same time as director of the National Exchange Bank of Wheeling, W. Va. and as director of the Wheeling Bank and Trust Company of Wheeling, W. Va. |

Approved.

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, May 8th, Recommending approval of the application of Mr. Vernon F. Taylor for permission to serve at the same time as director of the First National Bank at Pittsburgh, Pittsburgh, Pa., as director of the Citizens National Bank of Indiana, Indiana, Pa., and as director of the First National Bank of Indiana, Indiana, Pa.

Approved.

Dated, May 18th, Recommending approval of the application of Mr. Elisha Lee for permission to serve at the same time as director of the Central National Bank, Philadelphia, Pa. and as officer and director of the Girard Trust Company, Philadelphia, Pa.

Approved.

Dated, May 18th, Recommending approval of the application of Mr. C. S. W. Packard for permission to serve at the same time as officer and director of the Pennsylvania Company for Insurance on Lives and Granting Annuities, as director of the Philadelphia National Bank, Philadelphia, Pa., and as director of the Real Estate-Land Title and Trust Company, Philadelphia, Pa.

Approved.

Dated, May 18th, Recommending approval of the application of Mr. William J. McGlinn for permission to serve at the same time as director of the Penn National Bank, Philadelphia, Pa. and as officer and director of the Continental-Equitable Title and Trust Company, Philadelphia, Pa.

Approved.

Dated, May 18th, Recommending approval of the application of Mr. William P. Adams for permission to serve at the same time as director of the First National Bank of Red Hook, N. Y. and as director of the National Bank of Cohoes, Cohoes, N. Y.

Approved.

Dated, May 22nd, Recommending approval of the application of Mr. Parker W. Silzer for permission to serve at the same time as director of the Broad and Market National Bank and Trust Company, Newark, N. J. and as director of the New Brunswick Trust Company, New Brunswick, N. J.

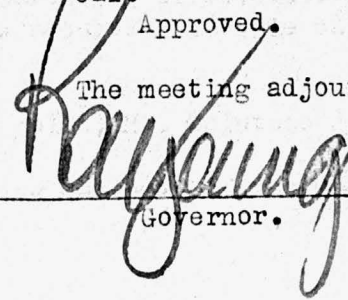
Approved.

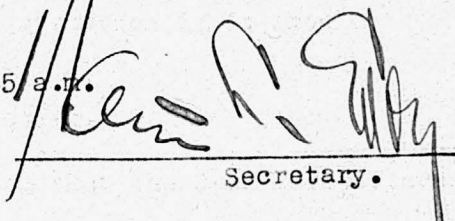
Dated, May 22nd, Recommending approval of the application of Mr. James D. Phelan, for permission to serve at the same time as director of the First National Bank of San Jose, Cal., and as director of the United Security Bank and Trust Company, San Francisco, Cal.

Approved.

The meeting adjourned at 11:45 a.m.

Approved:


Governor.


Secretary.