

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, June 22, 1928 at 12:00 o'clock noon.

PRESENT: Mr. Miller
Mr. Hamlin
Mr. James
Mr. Eddy, Secretary
Mr. McClelland, Asst. Secretary

Telegram dated June 20th from the Chairman of the Federal Reserve Bank of Boston, letter dated June 21st from the Secretary of the Federal Reserve Bank of New York, telegram dated June 20th from the Chairman of the Federal Reserve Bank of Philadelphia, telegram dated June 20th from the Acting Secretary of the Federal Reserve Bank of St. Louis and telegram dated June 21st from the Chairman of the Federal Reserve Bank of San Francisco, all advising that their boards of directors at meetings on the dates stated made no changes in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Memorandum dated June 20th from the Director of the Division of Research and Statistics, recommending that the temporary appointment of Miss Aryness Joy, as clerk in the Division, which expires on September 1st, be made permanent.

Approved.

Memorandum dated June 20th from the Assistant Chief of the Division of Bank Operations, submitting and recommending acceptance of the resignation of Mrs. Helen Bowie Clary, clerk in the Division, effective July 15, 1928; the Assistant Chief also recommending that authority be granted for the employment of another clerk at not to exceed \$1500 per annum.

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Upon motion, the resignation was accepted and authority was granted to fill the vacancy, as recommended.

Letter dated June 20th from the Chairman of the Federal Reserve Bank at Boston, requesting approval of the action of the board of directors of that bank in voting to extend until its next meeting leaves of absence on account of illness previously granted Mr. Joseph Buckley, Miss Helen F. Mahoney and Miss Elizabeth F. McCorkle; Mr. Buckley to receive half pay and Miss Mahoney and Miss McCorkle full pay.

Upon motion, the salary payments involved in the leaves of absence authorized by the Boston directors were approved.

Report of Committee on Salaries and Expenditures on letter dated June 15th from the Chairman of the Federal Reserve Bank of Richmond, requesting approval of the action of the board of directors of that bank in voting to increase, effective July 1st, the salaries of Messrs. M. L. Crawford, H. L. Whitmore and R. L. Cherry from \$2880 to \$3000 per annum, from \$2700 to \$2880 per annum and from \$2760 to \$2940 per annum, respectively; the Board Committee also recommending approval.

Approved.

Letter dated June 20th from the Federal Reserve Agent at Richmond, replying to letter addressed to him in accordance with the action of the Executive Committee at its meeting on June 19th, with respect to the Palmetto Bank and Trust Company of Florence, S. C. against which the Board recently instituted proceedings looking toward the forfeiture of its membership in the Federal Reserve System; the Federal Reserve Agent stating that the Executive Committee of his bank now recommends that the Board give its permission

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to the Palmetto Bank and Trust Company to voluntarily withdraw from the System in accordance with the terms of the bank's notice of withdrawal, which was received by the Federal Reserve Bank on June 12, 1928.

After discussion, upon motion, it was voted to permit voluntary withdrawal of the Palmetto Bank and Trust Company as of December 12, 1928, six months after the date of filing of its formal notice of intention to withdraw, it being understood that the Board reserves the right at any time, under the proceedings instituted by it, to require forfeiture of the membership of the bank should such action appear to be advisable.

The Secretary then presented draft of a letter to the Secretary of State, prepared in accordance with the instructions of the Executive Committee at its meeting on June 19th, with respect to the proposed Cuban banking law.

Upon motion, the letter was approved as submitted.

Memorandum from Counsel dated June 22nd, prepared in accordance with the instructions of the Executive Committee at its meeting on June 19th, submitting a proposed statement to be published in the Federal Reserve Bulletin together with the text of the Act of May 29, 1928, amending the Federal Reserve Act so as to authorize the discount or purchase of sight drafts which grow out of the exportation as well as the domestic shipment of non-perishable readily marketable staples, whether agricultural or not.

Upon motion, the material submitted by Counsel was approved for publication in the next issue of the Bulletin.

Memorandum from Counsel dated June 22nd, submitting in accordance with the instructions of the Executive Committee at its meeting on June 19th, a statement outlining the facts and history of the case of the First State Bank of Hugo v. Federal Reserve Bank of Minneapolis for publication in the Federal Reserve Bulletin in connection with the opinion recently rendered by the

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Supreme Court of Minnesota.

Upon motion, the material submitted by Counsel was approved for publication in the next issue of the Bulletin.

Draft of letter to the Secretary of State, prepared by the Director of the Division of Research and Statistics, referring to letters addressed to the Board under dates of May 23rd and June 1st regarding an invitation of the League of Nations to the government of the United States to participate in a conference on economic statistics; the proposed letter stating that it is the opinion of the Board that this country should be represented at the conference by an official delegation selected for the most part from the statistical services of the government. A discussion then ensued during which it was pointed out that in the Department's letter of May 3rd it is stated that the Department is of the opinion it would be inadvisable to accept the invitation.

Following the discussion, upon motion, the Secretary was directed to prepare a revision of the proposed letter to the Secretary of State, acknowledging receipt of the Department's letters and stating that the Board assumes it will be advised in the event it should later be decided that the government of this country should be represented at the Conference, and that upon receipt of such advice the Board will consider whether or not it would like to be included in the representation.

Draft of letter to the Federal Reserve Agent at Richmond, with reference to withdrawal of an application for membership in the Federal Reserve System filed some time ago by the Bank of Cheraw and Chesterfield County, Cheraw, S. C., an institution formed by the consolidation of the Bank of Cheraw, a member bank, with the Bank of Chesterfield County and its branches, without the approval of the Board, which automatically removed the consolidated

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institution from the Federal Reserve System; the proposed reply stating that the Board will, therefore, take no action on the bank's application for membership and will authorize cancellation of Federal Reserve bank stock issued to the Bank of Cheraw upon receipt of a proper form of application for surrender of such stock.

Upon motion, the above letter was approved.

REPORTS OF STANDING COMMITTEES:

Dated, June 19th, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date.

Recommendations approved.

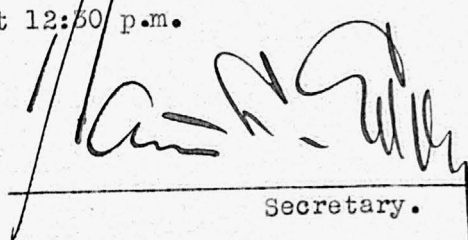
Dated, June 19th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Recommendations approved.

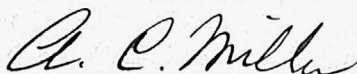
Dated, June 19th, Recommending action on an application for the admission of a state bank, subject to the conditions stated in the individual reports attached to the application, as set forth in the Auxiliary Minute Book of this date.

Recommendation approved.

The meeting adjourned at 12:30 p.m.


Secretary.

Approved:



Chairman Pro Tem.