

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Governor on Thursday, August 9, 1928 at 11:00 o'clock.

PRESENT: Governor Young  
Mr. Miller  
Mr. James  
Mr. McClelland, Asst. Secretary

Matter approved on initials on August 3rd, namely, application of the First National Bank, Douglasville, Ga. for stock in the Federal Reserve Bank of Atlanta, effective if and when the Comptroller of the Currency issues a certificate of authority to commence business.

Formally approved.

The Assistant Secretary stated that a meeting of the Open Market Investment Committee is scheduled to be held in Washington next Monday, August 13th.

Telegram dated August 9th from the Chairman of the Federal Reserve Bank of Richmond and telegram dated August 8th from the Chairman of the Federal Reserve Bank of Dallas, 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.

Telegram dated August 3rd from the Chairman of the Federal Reserve Bank of Chicago, advising that the Executive Committee at a 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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Memorandum dated August 8th from the Chief of the Division of Bank Operations, recommending that the temporary appointment of Miss Felipa Moss McKey, comptometer operator, which expires on August 14th, be made permanent with salary at the rate of \$1200 per annum.

Approved.

Letter dated August 4th from the Assistant Federal Reserve Agent at Dallas, with reference to the vacancy on the board of directors of the bank for the term ending December 31, 1928 caused by the death of Mr. J. H. Nail, Class B Director; the Assistant Agent suggesting that since any successor chosen by a special election would serve only for the unexpired portion of Mr. Nail's term and would hardly be able to qualify before the date for holding the regular fall election, the Board might waive the provisions of Section 4 and declare the directorship vacant until the regular election in November.

Upon motion, it was voted to interpose no objection to the existence of a vacancy on the Dallas board until the first of the year.

Reports of Committee on Salaries and Expenditures on letters dated August 1st from the Governor of the Federal Reserve Bank of Boston, July 31st from the Chairman of the Federal Reserve Bank of St. Louis and August 2nd from the Secretary of the Federal Reserve Bank of Minneapolis, transmitting lists of employees for whom the directors of the banks granted leaves of absence with pay on account of illness during the month of July, where the total of such absences since the first of the year has exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

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Letter dated August 3rd from the Federal Reserve Agent at San Francisco, referring to a defalcation about six years ago by an Assistant Cashier of the Security State Bank of LaCrosse, Wash., disclosed by a recent examination of that bank; the Agent stating that the defaulter confessed and was sentenced to a term in the penitentiary and that the defalcation was made good, in view of which facts and the further fact that the statute of limitations in such cases expires after three years in the State of Washington, he is not making a report of the matter to the United States Attorney.

Noted.

Letter dated August 3rd from the Comptroller of the Currency on the matter referred to him at the meeting on July 30th, namely, drafts of letters to several national banks in Pennsylvania, replying to inquiries with reference to the investment of small cash balances of trust estates being administered by them; the Comptroller stating that he is in accord with the position taken in the letters.

Upon motion, the letters were approved and ordered transmitted.

Matter referred to the Committee on Examinations and Committee on District #2 at the meetings on August 3rd, namely, report of examination of the Federal Reserve Bank of New York, made as at the close of business May 26, 1928; together with letter dated August 2nd from the Chairman of the New York bank submitting a report on the major criticisms and other matters discussed by the Board's Examiner with the officers of the bank.

Upon recommendation of the Committees, the report and the letter from the Chairman of the New York bank were noted.

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Memorandum dated August 9th from General Counsel, regarding the transfer from his to the office of the Governor for temporary employment of Miss Mildred DeHart, who is at present on the payroll of Counsel's office, with salary at the rate of \$1900 per annum.

Upon motion, Miss DeHart's name was ordered removed from the payroll of Counsel's office effective August 15, 1928, and Counsel was authorized to employ another stenographer at a salary of not to exceed \$1800 per annum.

The Governor stated that he will employ Miss DeHart in his office at her present salary for a period of one month beginning August 16th, during the absence on vacation of his Private Secretary.

Memorandum from Counsel dated August 8th, submitting letter dated August 7th from the Deputy Governor of the Federal Reserve Bank of New York, transmitting copy of a summons and complaint in a suit which has been instituted against the Federal Reserve Bank of New York, seeking to enjoin the Federal Reserve bank from engaging in open market operations, raising the rediscount rate or doing anything else which is "calculated to curtail the credit resources of the United States"; the Deputy Governor stating that the bank has retained Hon. Newton D. Baker to assist in the trial of the case and suggesting that, in view of the fact that the case is of System importance, it would be appropriate for all Federal Reserve banks to share in the expense of Mr. Baker's employment on a pro-rata basis as has been done heretofore in similar cases. With his memorandum, Counsel submitted draft of letter to all Federal Reserve banks inquiring whether they are willing to so participate, and a proposed letter to the Deputy Governor of the New York bank advising him accordingly.

After discussion, upon motion the letters submitted by Counsel were amended and approved.

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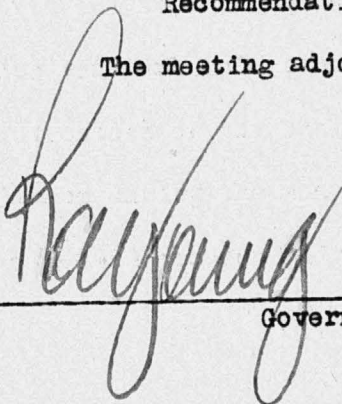
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REPORTS OF STANDING COMMITTEES:

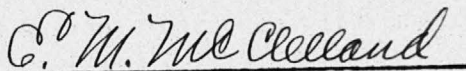
- Dated, August 3rd, 4th, 6th, 7th, 8th, 9th, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date. Recommendations approved.
- Dated, August 1st, 2nd, 6th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date. Recommendations approved.
- Dated, August 1st, Recommending approval of the application of Mr. H. F. Bovard for permission to serve at the same time as director of the Bank of Pittsburgh National Association, Pittsburgh, Pa., and as director of the First National Bank, Greensburg, Pa. Recommendation approved.
- Dated, August 1st, Recommending approval of the application of Mr. William H. Yeasting for permission to serve at the same time as officer and director of the Commercial Savings Bank and Trust Company, Toledo, Ohio and as director of the National Bank of Pt. Clinton, Pt. Clinton, Ohio. Recommendation approved.
- Dated, August 2nd, Recommending approval of the application of Mr. David B. McClure for permission to serve at the same time as director of the Delaware County Trust Company, Chester, Pa., and as director of the Delaware County National Bank of Chester, Pa. Recommendation approved.
- Dated, August 4th, Recommending approval of the application of Mr. Harry Meyers for permission to serve at the same time as director of the Hamilton Trust Company, Paterson, N. J., and as officer and director of the Lincoln National Bank, Passaic, N. J. Recommendation approved.
- Dated, August 4th, Recommending approval of the application of Mr. Frank A. Bayrd for permission to serve at the same time as director of the First National Bank of Malden, Mass., and as director of the Malden Cooperative Bank, Malden, Mass. Recommendation approved.

The meeting adjourned at 11:45 a.m.

Approved:



Governor.


  
Assistant Secretary.