A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, July 30, 1929 at 11:00 a.m.

PRESENT: Vice Governor Platt
Mr. Hamlin
Mr. James
Mr. McClelland, Asst. Secretary

Matter approved on initials on July 22nd, namely, application of the Citizens National Bank, Colton, California, for original stock (36 shares) in the Federal Reserve Bank of San Francisco, effective if and when the Comptroller of the Currency issues a certificate of authority to commence business.

Formally approved.

Matter approved on initials on July 29th, namely, application of the liquidating agent of The National Bank of New Bern, New Bern, N. C., for the surrender of stock (180 shares) in the Federal Reserve Bank of Richmond.

Formally approved.

Letter dated July 18th from the Assistant Secretary of the Federal Reserve Bank of New York, letter dated July 25th from the Secretary of the Federal Reserve Bank of New York, telegram dated July 26th from the Chairman of the Federal Reserve Bank of Chicago and telegram dated July 18th 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.

Telegram dated July 25th from the Secretary of the Federal Reserve Bank of Kansas City, advising that no meeting of the board of directors of the
bank was held on that date due to lack of a quorum and that the next regular meeting will be held on August 8th.

Noted.

Letter dated July 18th from the Acting Comptroller of the Currency, advising of the resignation, effective at the close of business July 10th, of Mrs. Charlotte Ellis, appointed money counter in the Federal Reserve Issue and Redemption Division on July 9th.

Noted.

Letter dated July 27th from the Acting Comptroller of the Currency, advising of the appointment of the following money counters in the Federal Reserve Issue and Redemption Division, effective August 1st, with salary at the rate of $1200 per annum:

Mrs. Mary M. Smith
Mrs. Daisy M. Andrews
Mrs. Ida B. Flitt
Mrs. Lydia Mills Helm
Mrs. Catherine Ridgon
Mrs. Ellen Finotti
Mrs. Lillian Cassedy
Mrs. Florence M. Stanley
Mrs. Christina Evans
Mrs. Mary A. McFarland

Noted.

Memorandum dated July 29th from the Chief of the Division of Bank Operations, recommending that the temporary three months' appointment of Miss Geraldine Johnson, comptometer operator, effective May 3rd at a salary of $1300 per annum, be extended for an additional period of not to exceed three months at the same salary.

Approved.

Approved.

Report of Committee on Salaries and Expenditures on letter dated July 18th from the Chairman of the Federal Reserve Bank of Atlanta, requesting approval of the action of the board of directors of that bank in voting to increase the salary of Mr. J. S. Hamilton, Head Teller, from $2,500 to $2,700 per annum and that of Mr. H. N. Harrison, clerk in the Credit Division of the Discount Department, from $2,400 to $2,700 per annum, both effective July 1st; the Board's Committee recommending approval but suggesting that the attention of the Atlanta Bank be called to the fact that salary adjustments should be made at the end of the year except in unusual cases.

Upon motion, the increases were approved in accordance with the recommendation of the Committee.

Report of Committee on Salaries and Expenditures on letter dated July 13th from the Deputy Governor of the Federal Reserve Bank of New York, submitting for approval certain promotions in grade of employees to positions where the grade is in excess of $2,500 per annum and other changes in positions and grade classifications under the salary plan of the bank, all effective July 1, 1929; the Committee reporting that the recommended changes in salaries and grades of employees are all in accordance with the salary plan now in effect at the New York bank and should be approved by the Board.

Upon motion, the recommendation of the Committee was approved.
Reports of Committee on Salaries and Expenditures on lists submitted by the Federal Reserve Banks of New York and Atlanta, of employees for whom the directors of those banks approved leaves of absence with pay, on account of illness, during the month of June, where the total of such absences since January 1, 1929 has exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

Letter dated July 19th from the Chairman of the Federal Reserve Bank of Dallas, advising that it was not convenient for him to begin his vacation on July 15th, as he previously notified the Board, and that he has definitely arranged to start his vacation on July 22nd, expecting to be absent until about August 22nd.

Noted, without objection.

Letter dated July 18th from the Secretary of the Federal Reserve Bank of Atlanta, advising that the board of directors of that bank has voted, subject to the approval of the Board, to grant Mr. Marcus Walker, Managing Director of the New Orleans Branch, a vacation of one month with full pay, in lieu of the regular vacation period of three weeks.

Noted, without objection.

Letter dated July 19th from the Chairman of the Federal Reserve Bank of San Francisco, advising that the Executive Committee of the bank at its last meeting voted, subject to the approval of the Board, that no special election should be held to fill the unexpired term of Mr. William T. Sesnon, Class "B" Director, deceased, ending December 31, 1930, but that the vacancy be
filled at the time of the regular elections to be held the latter part of
the year for the purpose of replacing directors whose terms expire on
December 31, 1929.

After discussion, upon motion, it was voted
to interpose no objection to the decision of the
San Francisco bank.

Letter dated July 19th from Professor Charles A. Dice of Ohio University,
requesting permission to use certain charts appearing in the June issue of the
Federal Reserve Bulletin in a book which he is writing; the letter stating that
if permission is granted due credit will be given for the charts.

Upon motion, it was voted to grant the
permission requested.

Letter dated July 25th from the Deputy Governor of the Federal Reserve
Bank of New York, transmitting the second monthly compilation of the amount
of short term funds held in New York for foreign account, aggregating
$2,483,239,000 as of June 29, 1929.

Noted.

Letter dated July 24th from the Deputy Governor of the Federal Reserve
Bank of New York, advising that there has been no change in the Open Market
Investment Account since his letter to the Board of July 17th and that the
bank's own investment holdings have remained practically unchanged, although
sales contracts declined $7,795,000 during the week; the letter also stating
that the Government security market has been inactive with fractionally lower
quotations, but that bill market conditions have remained unchanged with a
fair demand.

Noted.

Matter approved on initials on July 29th, namely, report of Committee on
Examinations recommending approval of a request of the Federal Reserve Agent at Cleveland, made in two letters dated July 17th, for permission to place representatives of his Examination Department in nine state member banks in the district, at the time they are under examination by state authorities, for the purpose of making an investigation along the lines of his letter to the Board of March 22nd, without expense to the member banks.

Upon motion, the request was formally approved.

Memorandum dated July 24th from the Acting Comptroller of the Currency, recommending approval of an application of the First National Bank of Bardwell, Texas, for permission to reduce its capital stock from $40,000 to $25,000, upon condition that "other real estate" be removed from the bank at the time of such reduction.

Upon motion, the reduction in capital was approved.

Memorandum from Counsel dated July 18th with reference to the application of Mr. Ned Holman for permission to serve at the same time as officer and director of the First National Bank of Guthrie, Okla., as officer and director of the Exchange National Bank, Tulsa, Okla., and as officer and director of the Liberty National Bank of Oklahoma City, Okla.; Counsel stating that Mr. Holman is also serving as officer of the First National Bank of Ada, Okla., and as director of the First National Bank of McAlester, Okla., but has advised the Board that he is willing to sever his connection with these two banks if the Board permits him to serve the three set out in his application. Counsel submitted draft of a letter to Mr. Holman advising that a permit authorizing him to serve the three national banks listed in his application will be issued by the Board upon receipt of advice that he has severed his
connection as an officer of the First National Bank of Ada and as director of the First National Bank of McAlester.

Upon recommendation of the Law Committee, Mr. Holman's application was approved and the letter submitted by Counsel was ordered transmitted.

Draft of reply, prepared by the Assistant Secretary, to letter dated July 26th from the Undersecretary of the Treasury, transmitting draft of one addressed to the Governors of all Federal Reserve banks relative to a revised plan proposed by the Treasurer of the United States for handling the redemption of old size national bank notes during the period of replacement by the new size currency; the plan being that upon receipt of wire advice of charges made against the National Bank Redemption Fund the Federal Reserve banks should make deposits for account of the 5% fund by credits in the Treasurer's General Account, with corresponding charges to the reserve accounts of the member banks concerned.

Upon motion, the reply advising that the Board sees no objection to the proposed procedure or proposed letter to all Federal Reserve banks was approved.

Matter approved on initials yesterday, namely, telegram to the Governors and Federal Reserve Agents at all Federal Reserve banks advising that on account of unexpectedly large receipts of unfit national bank notes and Federal Reserve notes a large accumulation of uncounted Federal Reserve notes is on hand in the National Bank Redemption Agency, which will increase if receipts continue as at present; the telegram requesting, therefore, that until receipt of further word from the Board the head offices of the Federal Reserve banks discontinue shipments of their own Federal Reserve notes; turning them back
to the Federal Reserve Agent if it is necessary to recover collateral, but
advising that branches should continue to forward to Washington for redemption notes of their bank and head offices and branches notes of other Federal Reserve banks. The Assistant Secretary reported that all counters which the National Bank Redemption Agency can employ under its appropriation are needed for the counting of national bank notes and that, accordingly, arrangements are being made for the detail of some of the additional counters employed in the Federal Reserve Issue and Redemption Division to count Federal Reserve notes for the Agency, shifting these counters back to the Redemption Division as circumstances warrant. He stated that as soon as the accumulation of unfit Federal Reserve notes has been worked off in this manner the head offices of the Federal Reserve banks will be requested to resume shipments.

Upon motion, the telegram transmitted yesterday was ratified and the arrangement reported by the Assistant Secretary was approved.

Draft of reply to letter dated July 23rd from Miss Blanche Jacobs, New York City, requesting advice as to conditions disclosed by the Board's recent examination of the First Federal Foreign Banking Corporation; the proposed reply stating that the corporation is examined regularly by examiners of the Board and examinations made show that it has conducted its affairs in accordance with the provisions of the Federal Reserve Act and the Regulations of the Board.

Upon motion, the proposed letter was approved.

Letter dated July 17th from the Federal Reserve Agent at Chicago, with reference to the complaint made by the Auburn State Bank, Auburn, Ind., regarding an advertisement by the City National Bank of Auburn that "the
Federal Reserve System is not only behind us - it is behind you too, when you are a depositor here”.

After discussion, upon motion, it was voted to refer the above matter to the Comptroller of the Currency for an expression of opinion or such action as he may deem appropriate.

Memorandum from Counsel dated July 22nd, recommending that there be published in the forthcoming issue of the Federal Reserve Bulletin the recent opinion of the United States Circuit Court of Appeals in the case of Frank G. Raichle v. Federal Reserve Bank of New York, together with an introductory statement relative thereto.

Approved.

Letter dated July 22nd from the Vice President of the Foreign Trade Securities Company, Ltd., New York City, requesting a further extension for a period of thirty days of the Board's reservation of the title "Foreign Banking and Investment Corporation" for the corporation which it is proposed to organize under Section 25(a) of the Federal Reserve Act.

Upon motion, an extension of thirty days from July 25th was granted.

Letter dated July 22nd from Mr. Alexander Wall, Secretary of the Robert Morris Associates, requesting permission to reprint the pamphlet "Verification of Financial Statements" in a textbook which he is preparing for the use of the American Institute of Banking.

After discussion, upon motion, it was voted to advise Mr. Wall that if authority to reprint the pamphlet is granted him by the American Institute of Accountants, which prepared it, the Board will interpose no objection.
Memorandum from the Acting Comptroller of the Currency, dated July 20th, on the matter referred to the Comptroller at the meeting on July 18th, namely, draft of a letter prepared by Counsel to the Attorney General of the United States requesting an expression from him as to the advisability of publishing in the Federal Reserve Bulletin a statement on the subject of the improper advertising of bond issues under which a national bank is acting as trustee; the letter from the Acting Comptroller stating that his office has no objection either to the proposed statement or the proposed letter to the Attorney General.

Upon motion, the letter to the Attorney General was ordered transmitted.

Draft of letter to the United States Civil Service Commission, referring to letters from the Commission dated May 15th and July 19th, requesting reports of changes in the personnel of the Federal Reserve Board, the first of which at the meeting on June 10th was referred to Mr. Hamlin who, in turn, referred it to the Vice Governor; the proposed letter to the Commission advising that the Board has always assumed that it is not subject to Civil Service rules and not required to make reports to the Commission and, accordingly, before any formal action the Vice Governor desires to take the matter up personally with the President of the Civil Service Commission as soon as the latter returns to the City.

Upon motion, the proposed letter was approved.

Letter dated July 23rd from the Chairman and Governor of the Federal Reserve Bank of San Francisco, transmitting a memorandum on the subject of the probable demand for credit at that bank during the last half of the current year; the letter stating that the bank's directors and officers concur in the judgment expressed in the memorandum as to the adequacy of the credit
resources of the bank and as to the improbability of a serious credit
strain in the district during the autumn.

Ordered circulated.

Letter dated July 5th from the Acting Secretary General of the League
of Nations, requesting an expression of opinion as to the value of a proposed
convention for the suppression of counterfeiting securities other than paper
money, as well as stamps used as instruments of payment, as recommended by
the International Conference for the Suppression of Counterfeiting Currency
held in Geneva last April.

After discussion, upon motion, the
Assistant Secretary was directed to refer
the matter to the Treasury Department and
the Federal Reserve Bank of New York for
expressions of opinion.

REPORTS OF STANDING COMMITTEES:

Dated, July 19th,

Recommending changes in stock at Federal Reserve banks as
set forth in the Auxiliary Minute Book of this date.

Recommendations approved.

Dated, July 22nd,

Recommending action on applications for fiduciary powers
as set forth in the Auxiliary Minute Book of this date.

Recommendations approved.

Dated, July 19th,

Recommending action on applications for admission of state
banks, subject to the conditions stated in the individual
reports attached to the applications, as set forth in the
Auxiliary Minute Book of this date.

Recommendations approved.

Dated, July 19th,

Recommending approval of the application of Mr. C. W.
Tillinghast Barker for permission to serve at the same
time as director of the Manufacturers National Bank,
Troy, N. Y., and as director of the Troy Trust Company,
Troy, N. Y.

Approved.
Dated, July 19th,  Recommending approval of the application of Mr. E. P. Ellison for permission to serve at the same time as director of the Deseret National Bank, Salt Lake City, Utah, and as officer and director of the First National Bank, Layton, Utah.

Approved.

Dated, July 24th,  Recommending approval of the application of Mr. Clarence Dillon for permission to serve at the same time as director of the National Park Bank, New York, N. Y., and as director of the Central Hanover Bank and Trust Company, New York, N. Y.

Approved.

Dated, July 26th,  Recommending approval of the application of Mr. William Gage Brady, Jr., for permission to serve at the same time as director of the First National Bank of Islip, N. Y., and as officer of the National City Bank of New York, N. Y.

Approved.

The meeting adjourned at 12:30 p.m.

Approved:

[Signature]

Vice Governor.

[Signature]  
Assistant Secretary