

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, June 23, 1930 at 4:15 p.m.

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

Report of Committee on Salaries and Expenditures on memorandum dated June 23rd, submitting dividend resolutions of the Federal Reserve banks, together with the usual statements in regard to probable losses on paper of failed and over-extended banks, and pointing out that four banks - Boston, Richmond, Kansas City and San Francisco - will not have sufficient earnings to pay accrued dividends and, consequently, a portion of the dividend payments of these banks will have to be made out of surplus.

The Assistant Secretary called attention to the fact that at the meeting of the Board on June 9th the Executive Committee was authorized to approve payment of dividends out of surplus by any Federal Reserve bank which may find it necessary to do so.

Upon recommendation of the Committee on Salaries and Expenditures, it was then voted to authorize the payment of a semi-annual dividend by each Federal Reserve bank.

Telegram dated June 21st from the Deputy Governor of the Federal Reserve Bank of Boston and letter dated June 20th from the Federal Reserve Agent at Dallas, both advising of the establishment on June 20th of the following rates for purchases of bankers acceptances:

1 to 90 days	-	2%
91 to 120 days	-	2 1/8%
121 to 180 days	-	2 3/8%
Repurchase	-	2 1/8%

Without objection, noted with approval.

Letter dated June 20th from the Chairman of the Federal Reserve Bank of Kansas City, advising of the establishment of the following schedule of rates for purchases of bankers acceptances:

1 to 90 days	-	2%
91 to 120 days	-	2 1/8%
121 to 180 days	-	2 3/8%

Without objection, noted with approval.

Report of Committee on Salaries and Expenditures on letter dated June 17th from the Governor of the Federal Reserve Bank of New York, advising that the board of directors of the bank has authorized the employment of Mr. Theodore M. Crisp as Assistant Counsel at a salary, subject to the approval of the Board, of \$6,500 per annum; the Committee recommending approval of the salary.

Approved.

Report of Committee on Salaries and Expenditures referring to letter dated June 20th from the Chairman of the Federal Reserve Bank of New York and recommending that the Board approve the establishment of the position of Assistant General Auditor at the Federal Reserve Bank of New York and a salary of \$6,750 per annum, effective July 1, 1930, for Mr. George W. Ferguson who is to occupy the new position; the Committee also recommending that the Board note with approval the promotion of Mr. H. V. Linniman to the position of Chief of the Auditing Department at a salary of \$4,200 and Mr. M. Crosby to the position of Assistant Chief of the Auditing Department at a salary of \$3,600 per annum, both effective July 1st.

Upon motion, the recommendations of the Committee were approved.

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Report of Committee on Salaries and Expenditures on letter dated June 21st from the Federal Reserve Agent of the Federal Reserve Bank of Atlanta, advising that subject to the approval of the Board the Executive Committee of the bank has ratified the action of the Executive Committee of the New Orleans Branch in approving for payment a bill of \$1500 rendered by Mr. Ralph J. Schwarz, attorney for services in connection with the liquidation of the indebtedness of the closed First National Bank of Acadia Parish, Crowley, La.; the Board's Committee also recommending approval.

Approved.

Memorandum from Counsel dated June 20th, submitting draft of letter to Messrs. Shearman and Sterling, attorneys for the National City Bank of New York, with regard to the re-opening under date of May 2, 1930 of a branch which was opened in Buenos Aires on April 15, 1919, pursuant to the Board's order of January 29, 1919, and was closed on January 1, 1922; the letter stating that the Board regards the closing of this branch in 1922 as an abandonment of it and a voluntary relinquishment by the National City Bank of the right granted to it by the Board's order of 1919 and that a new application should be filed for permission of the Board covering the establishment of the branch recently opened.

Upon motion, the letter submitted by Counsel was approved.

Memorandum from Counsel dated June 13th, submitting draft of letter to the President of the Commercial National Bank, Madison, Wisconsin, with regard to the advertisement of that institution that it is "Affiliated with

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the U. S. Federal Reserve bank"; the reply stating that while the Board would much prefer that a member bank advertise that it is a "Member of the Federal Reserve System" it has no material grounds for objecting to the phrase "Affiliated with the Federal Reserve Bank" although the use of the words "U.S." is objectionable.

After discussion, upon motion, the proposed letter was approved.

Memorandum from Counsel dated June 17th, submitting copy of H. R. 10211 providing for a change in the distribution of earnings of the Federal Reserve banks which was favorably reported by the House Committee on Banking and Currency on June 14th; Counsel pointing out that although the bill was not reported to the Board, the Board may wish to go on record as opposing it either at this time or when the bill is brought up for a vote in the House of Representatives. In his memorandum, Counsel pointed out, however, that if the Board should wish to oppose the bill it would be in a much better position to do so if it had a specific substitute to offer.

After discussion, upon motion, it was voted to refer the bill to the Chief of the Division of Bank Operations for a report and also to transmit a copy thereof to each Federal Reserve bank for comment.

REPORTS OF STANDING COMMITTEES:

- Dated, June 23rd, Recommending a change in stock at a Federal Reserve Bank as set forth in the Auxiliary Minute Book of this date.
Recommendation approved.
- Dated, June 17th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.
- Dated, June 19th, Recommending approval of the application of Mr. D. Gregg McKee for permission to serve at the same time as director and officer of the Peoples-Pittsburgh Trust

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Company of Pittsburgh, Pa., and as director and officer
of the Terminal Trust Company of Pittsburgh, Pa.

Approved.

The meeting adjourned at 4:50 p.m.

C. W. McClelland

Assistant Secretary.

Approved:

Edmund Platt

Vice Governor.