

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, March 4, 1927 at 11:10 a.m.

PRESENT: Vice Governor Platt
Mr. Hamlin
Mr. Miller
Mr. McIntosh
Mr. Eddy, Secretary
Mr. McClelland, Asst. Secretary

Matter approved on initials on March 3rd, namely, application of the First National Bank in Cooper, Texas, for original stock (45 shares) in the Federal Reserve Bank of Dallas, effective if and when the Comptroller of the Currency issues a certificate of authority to commence business.

Formally approved.

Letter dated March 3rd from the Secretary of the Federal Reserve Bank of New York, advising that the board of directors on that day made no change in the bank's existing schedule of rates of discount and purchase.

Noted.

Telegram dated March 3rd from the Chairman of the Federal Reserve Bank of San Francisco, advising that the board of directors on that day made no change in the bank's existing schedule of rates of discount and purchase.

Noted.

Mr. Hamlin then referred to the recent passage of the so-called McFadden Bill and the necessity for a revision of the Regulations of the Board. He moved that the Law Committee be authorized to proceed with the preparation of a tentative draft of a new edition of the Board's Regulations, to be submitted to the Board for approval, and that in this connection a

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letter be addressed to the Chairmen and Governors of all Federal Reserve banks inviting suggestions regarding the revision of the Regulations.

Carried.

Letter dated March 3rd from the Deputy Governor of the Federal Reserve Bank of New York, submitting a list of nineteen employees of that bank who have been granted leaves of absence with pay on account of illness, in excess of thirty days, since January 1, 1927.

Referred to the Committee on Salaries and Expenditures.

Memorandum from the Secretary dated March 3rd, submitting letters dated February 23rd and March 1st from the Federal Reserve Agent at Chicago, with reference to the propriety of continuing as members of the System certain banks whose condition has long been unsatisfactory and which show no improvement; the Federal Reserve Agent advising that the Executive Committee of the bank was of the opinion that he should recommend to the Board that the Wapello State Savings Bank, Wapello, Iowa, be expelled from membership, but that he would suggest to the Board that no action be taken pending an examination of the bank to be made soon after April 1st.

Noted.

Memorandum from Counsel submitting draft of letter to the Comptroller of the Currency, prepared in accordance with the instructions of the Executive Committee at its meeting on March 1st and inquiring whether the Comptroller knows of anything in the manner in which the First National Bank of Lawrence County, New Castle, Pa. and the City National Bank and Trust Company of Miami, Fla. have handled their trust accounts because of which they should not be

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permitted to surrender their fiduciary permits and close out their trust departments; the letter also suggesting that Deputy Comptroller Collins and the Board's Counsel be appointed a special committee to work out a method of procedure in connection with the cancellation of authority for the exercise of fiduciary powers.

Upon motion, the proposed letter was approved.

Letter dated March 2nd from the Governor of the Federal Reserve Bank of Cleveland, protesting against the manner in which the Federal Reserve Bank of Minneapolis handled a collection item sent to it by a member bank in the 4th District and payable at a bank in Minneapolis; the letter stating that it was understood only items payable at street addresses in Minneapolis would be turned over by the Federal Reserve Bank of Minneapolis to member banks for collection, and that items payable at banks would continue to be handled by the Federal Reserve bank itself.

Upon motion, the above letter was referred to the Board's Counsel for report.

Letter dated March 2nd from the Deputy Governor of the Federal Reserve Bank of Cleveland, with reference to securing an analysis of the provisions of the so-called McFadden Bill. The Board's Counsel, Mr. Wyatt, was called into the room and discussed with the members of the Committee the probable changes in the Board's Regulations which would be necessary because of the enactment of the McFadden Bill. He stated that it would be some time before his office would be prepared to submit a draft of the revised Regulations and that any analysis of the bill prepared immediately would be subject to correction.

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Upon motion, Counsel was requested to prepare an analysis of the provisions of the McFadden Bill informally and for the confidential information of the members of the Board.

Letter dated March 2nd from the Secretary of the Federal Advisory Council referring to a discussion of the Cuban Agency which took place at the last meeting of the Council, and requesting certain information regarding the establishment and operations of the Agency.

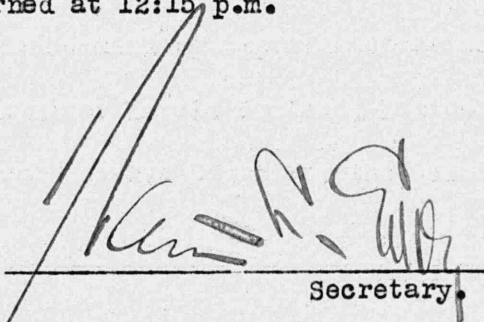
Referred to Counsel.

REPORTS OF STANDING COMMITTEES:

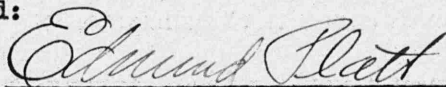
Dated, March 3rd, Recommending changes in stock at Federal Reserve banks
4th, as set forth in the Auxiliary Minute Book of this date.
Approved.

Dated, March 2nd, Recommending action on application for fiduciary powers
as set forth in the Auxiliary Minute Book of this date.
Approved.

The meeting adjourned at 12:15 p.m.


Secretary.

Approved:



Vice Governor.