A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, March 10, 1927 at 11:20 a.m.

PRESENT: Governor Crissinger
Mr. Hamlin
Mr. Miller
Mr. Eddy, Secretary
Mr. McClelland, Asst. Secretary

Telegram dated March 9th from the Chairman of the Federal Reserve Bank of Boston, 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 10th from the Chairman of the Federal Reserve Bank of Richmond, 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.

Report of Executive Committee on letter dated March 7th from the Federal Reserve Agent at Chicago, requesting authority to employ Mr. Alonzo L. Wilson as Examiner at a salary of not to exceed $5,000 per annum; the Committee recommending approval.

Approved.

Report of Committee on District #5 on matter referred to it at the meeting on March 8th, namely, letter dated March 4th from Mr. A. B. Trowbridge, Consulting Architect, inquiring whether the Board would accept a written report on the Baltimore Branch Building project in lieu of his personal attendance at a meeting which will be held between the Board and directors of the Federal Reserve Bank of Richmond; the Committee stat-
ing that it sees no objection to accepting a written report from Mr. Trowbridge.

Following a discussion, the Secretary was directed to request Mr. Trowbridge to forward to the Board his written report and to advise him that if it meets the Board's needs it will not be necessary for him to come to Washington for the meeting with the Richmond directors.

Letter dated March 7th from the Deputy Governor of the Federal Reserve Bank of New York, submitting for the approval of the Board recommendations for the promotion of certain employees to a position where the grade or salary is in excess of $2500 per annum, the promotions to be effective March 1st.

Approved.

Letter dated March 7th from the Director of the Bureau of Business Research, Indiana University, inquiring as to the volume of reserves of foreign central banks maintained on deposit in this country.

After discussion, the Secretary was directed to confer with the Federal Reserve Bank of New York regarding the inquiry.

The Governor then presented a letter dated March 8th from the Secretary of the Governors' Conference confirming a telephone conversation during which it was tentatively agreed that the Spring Conference should be called for Monday, May 9th. The Governor stated that if this date is agreeable to the other members he will so advise the Secretary of the Conference.

The members of the Committee expressed no objection to the date suggested.
The Governor then submitted letters dated February 21st and 28th from Mr. Gates W. McGarrah, Chairman elect of the Federal Reserve Bank of New York inquiring as to what the attitude of the Board would be toward his remaining as the American member of the General Council of The Reichsbank. The Governor submitted a memorandum from Counsel stating that in his opinion Mr. McGarrah's service as a member of the General Council of The Reichsbank clearly does not make him a director, officer, employee or stockholder of that bank and there is no legal reason why he should not serve at the same time as a Class C Director of the Federal Reserve Bank of New York and as a member of the General Council of The Reichsbank. The Governor referred to the opinions expressed by members of the Board in previous informal discussions of the subject and stated that he submitted the matter to the Secretary of the Treasury who was of the opinion that in view of the fact that there is no legal objection to Mr. McGarrah's service on The Reichsbank Council he should be permitted to continue.

Thereupon ensued a detailed discussion, following which it was voted that the Governor should address a letter to Mr. McGarrah along the following lines:

"In reply to your letters of February 21st and 28th, inquiring as to what the attitude of the Federal Reserve Board would be toward your continuing as the American member of the General Council of The Reichsbank, I am writing to express my regret that it is not possible for me to advise you definitely on this matter because the Board is without a quorum. I recognize, however, that it is due you to have before you some indication of what the Board's attitude might be.

Those of us who are here have talked the matter over informally, and we have less hesitation in expressing our feeling on the question you have raised because it involves only the matter of completing your present term of service as a member of the General Council, and not an original appoint-
"ment to membership. There is probably nothing in the terms governing your appointment as a director and Chairman of the Board of the Federal Reserve Bank of New York that would necessitate the Board's interfering with the completion of your present term of service on the Reichsbank Council, particularly as that position is in a peculiar sense one of a high, international trusteeship. The matter, however, technically considered, is not absolutely free from doubt. If there should be any occasion for hesitation on the part of the Board, it would be because of considerations of general public policy. Viewing the elements of the situation as best we have been able, it does not appear to those of us who are here that there is any conflict of obligation that would interfere with the satisfactory performance of your functions as Chairman of the Board of Directors of the Federal Reserve Bank of New York.

This is the view of the matter which those of us who are now in Washington have taken. If it should later develop that your continuance in your present connection with the Reichsbank Council should, in the Board's view, prove inconsistent with the responsibilities attached to the position to which you have been appointed at the Federal Reserve Bank of New York, I will see that you are promptly advised."

REPORTS OF STANDING COMMITTEES:

Dated, March 9th, Recommending changes in stock at Federal Reserve Banks 10th, as set forth in the Auxiliary Minute Book of this date. Approved.

The meeting adjourned at 1:30 p.m.

Approved:

Secretary.