

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, January 17, 1928 at 11:30 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on January 16th were read and approved.

An informal discussion ensued regarding the rediscount rate situation. The Governor stated that this matter will undoubtedly be under discussion during the next week and stated that if there is no objection he will address a communication to Mr. James requesting an expression of his views.

Report of Executive Committee on letter dated January 16th from the Comptroller of the Currency, recommending an increase from \$3,600 to \$4,200 per annum in the salary of National Bank Examiner F. R. Denton; the Board's Committee also recommending approval.

Approved.

The Governor presented a letter addressed to him by Mr. Robert F. Maddox, Chairman of the Atlanta-Lowry National Bank, Atlanta, Ga., who is President of the recently organized Non Cash Item Association; the letter inquiring as to the present attitude of the Board on the question of the handling of non-cash collection items by Federal Reserve banks and suggesting a hearing before the Board by representatives of the association. The Governor suggested that Mr. Maddox be advised that at the last Governors'

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Conference the question of non-cash collections was referred to the Standing Committee on Collections for further study and report at the next Conference, and further, that the Board will be glad to arrange for a meeting with representatives of the association. The Governor also suggested that a communication be addressed to the Governors of all Federal Reserve banks, advising of the proposed hearing and inquiring whether the Governors would like to have it held at the time of their Spring Conference in order that they too may attend. He stated that if the Governors do not wish to participate in the hearing it can be arranged at an earlier date before the Board.

Upon motion, the suggestions made by the Governor were approved.

The Secretary then reported a visit this morning from Mr. Ormsby McHarg, attorney for the organizers of the proposed United States Foreign Financing Corporation. He stated that Mr. McHarg desires to learn of the reasons for the Board's action of January 13th in not approving the articles of association and organization certificate of the proposed corporation, which he stated he had been advised by Mr. Wyatt were in legal form. He reported that Mr. McHarg was told that the Board felt it to be its duty in connection with all applications filed with it to organize so-called Edge Act corporations to proceed to inform itself with respect to the business experience and qualifications of the organizers, particularly as such experience and qualifications have a bearing upon the management and operation of an Edge Act corporation, and further, that from the information obtained by the Board in this specific case the Board did not feel that it could approve the articles of association and organization certifi-

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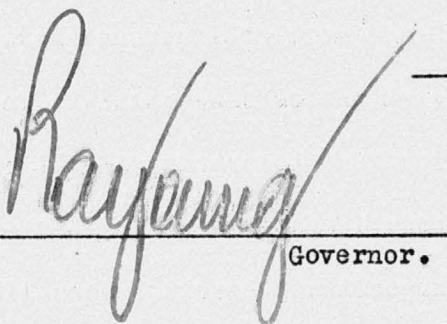
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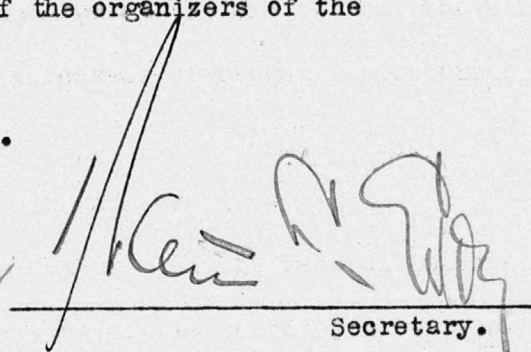
cate of the proposed corporation. The Secretary stated that Mr. McHarg requested that he be afforded an opportunity of appearing before the Governor of the Board, a committee of the Board or the Board itself, in order that he might present such information as he has with respect to the business experience and qualifications of the organizers of the proposed corporation and as to others interested. The Secretary stated that he advised Mr. McHarg that he would inform the Governor of his request, that he has done so and that at the suggestion of the Governor he is now reporting the matter to the Board.

After considerable discussion, the Secretary was authorized to advise Mr. McHarg that the Board is willing to consider any further information he may wish to submit in writing regarding the business experience and qualifications of the organizers of the proposed corporation.

The meeting adjourned at 1:20 p.m.

Approved:

  
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 Governor.

  
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 Secretary.