

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Saturday, February 18, 1928 at 11:00 a.m.

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

The reading of the minutes of the meeting of the Federal Reserve Board held on February 14th was dispensed with.

Letter dated February 14th from the Chairman of the Federal Reserve Bank of New York, advising that subject to the approval of the Board he is planning to leave the bank about March 31st for an absence of six weeks in connection with a trip abroad to attend the spring meeting of the General Council of the Reichsbank.

Upon motion, it was voted to approve the leave of absence desired by Mr. McGarrah.

The Governor then presented a letter addressed to him under date of January 31st by the Federal Reserve Agent at New York, with reference to the desirability of conferring the title of Assistant Manager upon the proposed new employee of the Buffalo Branch who is to be taken on as an assistant to the Managing Director of the Branch. He stated that the bank is desirous of employing Mr. R. B. Wiltse, a member of the Board's examining staff, and suggested that the Board would be warranted in interposing no objection to the creation of the title of Assistant Manager inasmuch as the circumstances surrounding Mr. Wiltse's proposed employment appear to differ from those in previous cases where the Board objected to the use of this title.

2/18/28

-2-

After discussion, it was voted to interpose no objection to the designation of Mr. Wiltse, if he is employed by the New York directors, as Assistant Manager of the Buffalo Branch, Mr. Cunningham not voting.

Matter approved on initials by the Executive Committee on February 15th, under authority granted by the Board at the meeting on February 14th, namely, telegram dated February 15th from the Chairman of the Federal Reserve Bank of Philadelphia, advising that the board of directors on that date voted to establish a rediscount rate of 4% on all classes of paper of all maturities, effective the first business day following that on which approved by the Federal Reserve Board.

The rate of 4% established by the Philadelphia directors having been informally approved by the Executive Committee on February 15th, effective as at the opening of business on February 16th, was formally ratified, Mr. Cunningham not voting.

Mr. Cunningham stated that he has previously explained to the Board his reasons for not voting on recent adjustments in Federal Reserve bank rates.

Letter dated February 16th from the Secretary of the Federal Reserve Bank of New York and telegram dated February 15th from the Secretary of the Federal Reserve Bank of Boston, advising that the boards of directors at meetings on those dates made no changes in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Memorandum from the Secretary dated February 15th, submitting letter dated February 13th from the Secretary of the Federal Reserve Bank of Cleveland, with respect to changes in buying rates at that bank, and advising that the following schedule of rates was made effective on February 3rd:

2/18/28

-3-

Bankers acceptances:

1 to 45 days	-	3 1/4%
46 to 120 days	-	3 1/2%
121 to 180 days	-	3 3/4%
Repurchase	-	3 1/2%
Trade Bills	-	3 1/2%

Without objection, noted with approval.

Memorandum from the Secretary dated February 15th, submitting letter dated February 13th from the Chairman of the Federal Reserve Bank of Richmond, with respect to changes in buying rates at that bank, and advising that the following schedule of rates for purchases of bankers acceptances was made effective on February 3rd:

1 to 45 days	-	3 3/8%
46 to 120 days	-	3 5/8%
121 to 180 days	-	3 7/8%

Without objection, noted with approval.

Telegram dated February 15th from the Chairman of the Federal Reserve Bank of St. Louis, advising that the board of directors at its meeting on that date made no change in the bank's existing schedule of rates of discount and purchase, including the following rates for purchases of acceptances which were made effective on February 3rd:

1 to 45 days	-	3 1/4%
46 to 120 days	-	3 1/2%
121 to 180 days	-	3 3/4%

Without objection, noted with approval.

Telegram dated February 16th from the Chairman of the Federal Reserve Bank of San Francisco, advising that the board of directors at its meeting on that date made no change in the bank's existing schedule of rates of discount and purchase, including a rate of 3 1/2% made effective on February 3rd for purchases of bankers acceptances with agreement to resell.

Without objection, noted with approval.

2/18/28

-4-

Letter dated February 13th from the Chairman of the Federal Reserve Bank of Atlanta, requesting approval of a salary of \$2700 per annum, effective February 14th, for Miss Daisy Callahan, Secretary to the Governor of the bank.

Approved.

Memorandum dated February 14th from the Director of the Division of Research and Statistics, recommending the appointment of Miss Elsie G. Hanold as stenographer in the Division for a period of three months, beginning February 20th, with salary at the rate of \$1440 per annum.

Approved.

Memorandum dated February 15th from the Director of the Division of Research and Statistics, recommending the appointment of Mrs. Julia Haigh as clerk-stenographer in the Division for a period of three months, with salary at the rate of \$1440 per annum, effective February 20th.

Approved.

The Secretary stated that at the meeting of the Federal Advisory Council yesterday, Mr. Frank O. Wetmore and Mr. John F. Bruton were re-elected as President and Vice President of the Council, respectively, for the year 1928 and with Messrs. Alexander, Rue, Creech and Smith will comprise the Executive Committee of the Council.

Noted.

Telegram dated February 17th from the Chairman of the Federal Reserve Bank of Chicago, advising of the death on that date of Mr. John W. Staley, President of the Peoples Wayne County Bank of Detroit, who is one of the Federal Reserve bank's appointees to the directorate of

2/18/28

-5-

the Detroit Branch.

Noted, with regret.

Letter dated February 16th from the Assistant Federal Reserve Agent at New York, advising that the Corn Exchange Bank, New York City, has been authorized to open a branch at 1634 Avenue "A", Borough of Manhattan; the Assistant Agent also advising that the Corn Exchange Bank has acquired control of the Stapleton National Bank, Stapleton, Borough of Richmond, and plans to convert it into a branch.

Noted.

Report of Committee on Salaries and Expenditures on letter dated February 13th from the Federal Reserve Agent at Kansas City, requesting approval of the action of the Executive Committee of that bank in voting to grant a leave of absence, on account of illness, of two months from January 27th, with full pay, to Mr. Dan C. Cunningham, an employee of the Auditing Department; the Board's Committee recommending approval of the salary payment involved.

Approved.

Report of Committee on Salaries and Expenditures on letter dated February 15th from the Secretary of the Federal Reserve Bank of Boston, requesting approval of the action of the board of directors of that bank in voting to extend until its next meeting leaves of absence on account of illness previously granted Mr. Joseph Buckley, Miss Dorothy M. Roberts, Miss Anna Eichorn, Mr. Frank C. Hoyt, Miss Julia C. Tylor and Miss Phyllis D. Irish, Mr. Buckley and Miss Roberts to receive half pay, and the other employees full pay; the Board's Committee recommending approval of the salary payments involved.

Approved.

2/18/28

-6-

Report of Committee on Salaries and Expenditures on letter dated February 14th from the Deputy Governor of the Federal Reserve Bank of New York, requesting approval of the action of the Executive Committee of that bank in voting to grant a leave of absence of six weeks from May 12th, with full pay, to Mr. O. W. TenEyck, Superintendent of the bank's building, who wishes to go abroad, and pointing out that Mr. TenEyck has accumulated five weeks' leave of absence and is receiving only one week in addition to his regular allowance; the Board's Committee recommending approval of the salary payment involved.

Approved, Mr. Miller voting "no".

Report of Committee on Salaries and Expenditures on letter dated February 14th from the Deputy Governor of the Federal Reserve Bank of New York, submitting for the approval of the Board recommendations for the promotion in grade of certain employees to positions where the grade is in excess of \$2500 per annum, such changes to be effective February 1, 1928; the Board's Committee recommending approval of all the adjustments, which are in accordance with the classification plan approved by the Board for the New York bank.

Approved.

Letter dated February 14th from the Chairman of the Federal Reserve Bank of Atlanta, requesting approval of a salary of \$4500 per annum, effective March 1st, for Mr. E. R. Harrison who has been elected Cashier of the Nashville Branch to succeed Mr. E. C. Huggins, Jr., whose resignation has been accepted effective February 29th.

Approved.

2/18/28

-7-

In accordance with the directions given by the Board at its meeting on February 14th, the Secretary then submitted a report with respect to Mr. W. S. McLarin, Jr., former Cashier of the Jacksonville Branch of the Federal Reserve Bank of Atlanta, whom the directors of that bank have elected Managing Director of the branch at a salary of \$6,000 per annum, effective February 11th, for the unexpired term of Mr. George S. DeSaussure, deceased, ending December 31, 1928.

Upon motion, it was voted to approve the salary of \$6,000 per annum fixed by the Atlanta directors for Mr. McLarin, Messrs. Miller and Cunningham voting "no".

Letter dated February 15th from the Chairman of the Federal Reserve Bank of Atlanta, requesting approval of a salary of \$4500 per annum, effective February 20th, for Mr. George S. Vardeman, formerly an employee of the Auditing Department of the bank, who has been elected Cashier of the Jacksonville Branch to succeed Mr. McLarin.

Approved.

Letter dated February 15th from the Federal Reserve Agent and the Governor of the Federal Reserve Bank of St. Louis, with reference to the condition of the Lawrence County Bank, Walnut Ridge, Ark., and recommending that proceedings be instituted by the Board looking toward the cancellation of stock in the Federal Reserve Bank of St. Louis held by the institution and the forfeiture of its membership in the Federal Reserve System.

Upon motion, it was voted to approve the recommendation of the Federal Reserve Agent and Governor of the St. Louis bank, and to instruct the Board's Counsel to prepare the necessary letters advising of a hearing to be held by the Board.

2/18/28

-8-

Report of Executive Committee on memorandum dated February 13th from the Acting Comptroller of the Currency, recommending approval of an application of the First National Bank of Robstown, Texas for permission to reduce its capital stock from \$100,000 to \$50,000 on condition that other real estate, leasehold account, furniture and fixtures and doubtful assets, amounting to \$14,980.54 be removed, and that the remainder of the capital released by the reduction be placed to the credit of undivided profits until January 1, 1929, or until such time as the soundness of other loans can be definitely determined; the Board's Committee recommending approval subject to the conditions suggested by the Acting Comptroller.

Approved.

Telegram dated February 16th from the Chairman of the Federal Reserve Bank of San Francisco, advising that upon recommendation of the Governor of the bank and himself the board of directors have voted, subject to the approval of the Board, to purchase property at the northwest corner of Tenth and Olive Streets, Los Angeles, 120 feet on Olive Street by 165 feet on Tenth Street, at a price of not to exceed \$465,000; the Chairman stating that the proposed widening of Tenth Street will involve the loss from this property of 3,300 square feet, but that it is believed of the remainder a lot 100 feet square will be sufficient for the erection of a building to house the Los Angeles Branch, which would leave a property 65 feet by 100 feet for future sale.

After discussion, upon motion it was voted to approve of the directors of the San Francisco bank

2/18/28

-9-

acquiring the property mentioned at a price not to exceed that stated.

Matter approved on initials on February 15th, namely, application of the Peoples Wayne County Bank, Detroit, Michigan for membership in the Federal Reserve System and for 19,800 shares of stock in the Federal Reserve Bank of Chicago; the institution being organized to succeed The Wayne County and Home Savings Bank and the Peoples State Bank, both member institutions in Detroit.

The above application having been informally approved, subject to the general conditions of membership contained in the Board's Regulation H, Series of 1928, this action was, upon motion, formally ratified.

REPORTS OF STANDING COMMITTEES:

- Dated, February 14th, 16th, Recommending changes in stock at Federal Reserve banks, as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.
- Dated, February 16th, 17th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.
- Dated, February 16th, Recommending approval of the application of Mr. A. B. C. Hardy for permission to serve at the same time as director of the Capital National Bank, Lansing, Mich., as director of the Union Trust Company, Detroit, Mich. and as director of the Union Joint Stock Land Bank, Detroit, Mich.
Recommendation approved.
- Dated, February 16th, Recommending approval of the application of Mr. Ralph W. Ballantine for permission to serve at the same time as director of the Capital National Bank, Lansing, Mich. and as director of the First National Bank, Dearborn, Mich.
Recommendation approved.
- Dated, February 16th, Recommending approval of the application of Mr. Floyd L. Carlisle for permission to serve at the same time as director of the First National Bank, Oswego, N. Y. and as director of the Northern New York Trust Company, Watertown, N. Y.
Recommendation approved.

2/18/28

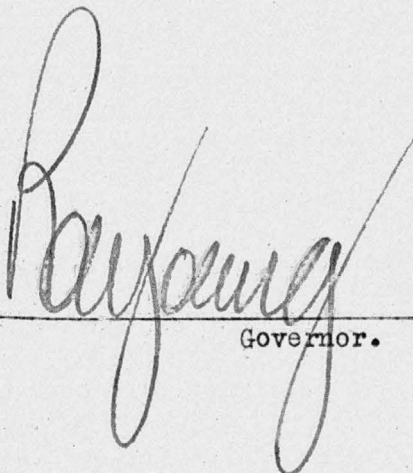
-10-

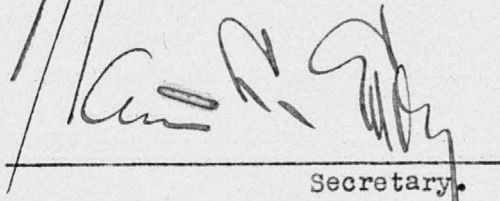
REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, February 16th, Recommending approval of the application of Mr. C. McK. Whittemore for permission to serve at the same time as director of the First National Bank, Cranford, N. J., and as President and director of the Union County Trust Company, Elizabeth, N. J.
Recommendation approved.

The meeting adjourned at 12:50 p.m.

Approved:



Governor.

Secretary.