

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Governor on Wednesday, February 29, 1928 at 11:00 o'clock a.m.

PRESENT: Governor Young
Mr. Platt
Mr. Hamlin
Mr. Eddy, Secretary
Mr. McClelland, Asst. Secretary
PRESENT ALSO: Mr. Vest, Asst. Counsel

The Secretary reported that the lease held by the Board on space in the Otis Building expires on April 30th and requires 60 days' notice of intention to renew. He stated that in view of the fact that considerable inconvenience is caused by the location of the Otis Building and the fact that several new office buildings more centrally located have been erected, a committee consisting of himself, Dr. Goldenweiser and Mr. Smead reviewed the situation and invited offers from certain other buildings. He reported that an offer of \$2.35 per square foot on about 9,000 net square feet of space was received from the owners of the new Washington Building and an offer of \$2.25 per square foot on 9,169 net square feet was made by the agents of the Press Building. He advised that the Board now uses 10,500 net square feet in the Otis Building for which it pays an annual rental of \$1.66 $\frac{2}{3}$ per net square foot, but that an offer has been made for the renewal of the Board's lease covering the same space at a price of \$1.52 per net square foot. He stated that in view of the fact that the space leased by the Board in the Otis building is entirely satisfactory, the committee believes that the offer now made offsets the inconvenience of the location of the building, and therefore, recommends that the Board approve of a two year renewal of the lease on the space now occupied in the Otis Building at an annual rental

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of \$16,000. He added that in the event of such renewal certain desirable minor alterations will be made by the owners of the building.

Upon motion, it was voted to authorize renewal, for a period of two years, of the Board's lease covering space in the Otis Building at the reduced price of \$16,000 per annum.

Letter dated February 28th from the Chairman of the Federal Reserve Bank of New York, advising of the appointment of Mr. R. B. Wiltse as Assistant Manager of the Buffalo Branch, at an annual salary of \$6,600, effective February 25th, 1928.

Noted.

Letter dated February 29th from the Acting Comptroller of the Currency, requesting approval of a salary of \$4,000 per annum for National Bank Examiner Herbert Hallenberg, assigned to the Second Federal Reserve District.

Approved.

Memorandum dated February 25th from the Acting Comptroller of the Currency, recommending approval of an application of the Adams National Bank of Devine, Texas, for permission to reduce its capital from \$50,000 to \$25,000, on condition that no money is returned to the shareholders, that "other real estate" amounting to \$47,000 be removed from the assets of the bank, that satisfactory evidence be furnished to the Comptroller that the bank has been relieved of all liability to the Federal Land bank, amounting to \$13,277.63 on account of the assumption of mortgages on real estate acquired, and further, that doubtful paper aggregating approximately \$11,000, as shown by the last report of examination, be removed by charge off to the extent of \$7,500 and the securing of the remainder in such manner

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as to remove it from the objectionable class.

Upon motion, the reduction in capital was approved subject to the conditions recommended by the Acting Comptroller.

The Secretary then reported an interview had by the Governor and himself yesterday with Mr. William H. Ramsay of the Department of Justice, with respect to the reporting to that Department and to local United States District Attorneys apparent violations of the criminal provisions of law brought to the Board's attention by the various Federal Reserve Agents. He stated that the discussion referred particularly to the procedure followed by the Comptroller of the Currency in the case of National banks under which all apparent violations are reported to the Comptroller and by him to the Department of Justice with any recommendation he may care to make and a copy of such report is furnished subsequently to the local United States District Attorney through the Chief National Bank Examiner.

The Governor stated that he expects to suggest to the Board later a revised procedure to be followed by it in reporting violations by officers and employees of state member banks.

The Governor then stated that he had been advised over the telephone by the Chairman of the Federal Reserve Bank of Cleveland that the Executive Committee of that bank at a meeting this morning voted to establish a re-discount 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.

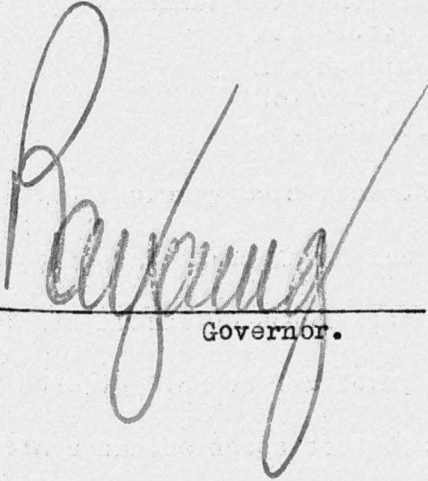
Upon motion, the rate of 4% established by the Executive Committee of the Cleveland Bank was approved, effective as at the opening of business tomorrow, March 1st.

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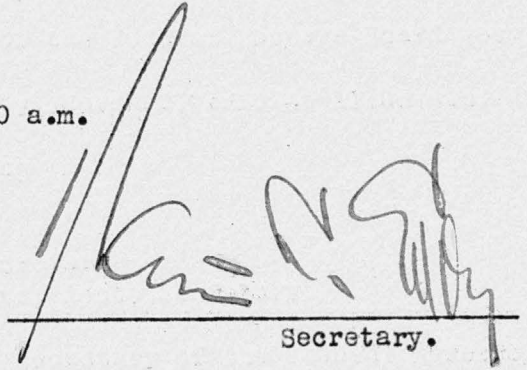
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The meeting adjourned at 11:40 a.m.

Approved:



Governor.



Secretary.