

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, March 12, 1928 at 11:00 a.m.

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

PRESENT ALSO: Mr. Goldenweiser, Director of the Division of Research and Statistics.

The Governor stated that special order of business for this morning's meeting would be consideration of the galley proof of the Board's Annual Report to Congress for the year 1927. The galley was taken up sheet by sheet and numerous minor changes were made.

Following this consideration, upon motion it was voted that the report be approved for pageproof and referred to the Governor with power as to the date of its submission to Congress and release to the press.

Mr. Hamlin then presented a memorandum dated March 12th from the Board's General Counsel, submitting a revision of the paragraph, approved for inclusion in the Annual Report at the meeting on March 9th, discussing the amendment to the Federal Reserve Act being recommended by the Board which would specifically provide for the establishment of foreign branches by state member banks.

Upon motion, the revised paragraph was approved.

Dr. Goldenweiser then left the room.

The minutes of the meeting of the Federal Reserve Board held on March 9th were read and approved.

Telegrams dated March 9th from the Secretary of the Federal Reserve Bank of Cleveland and from the Chairman of the Federal Reserve Bank of

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Atlanta, both advising that their boards of directors at meetings on that date made no change in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Report of Committee on Salaries and Expenditures on letter dated March 9th from the Chairman of the Federal Reserve Bank of Richmond, requesting approval of the action of the board of directors of that bank in voting to extend for a period of thirty days from February 24th, with full pay, leave of absence on account of illness previously granted Miss Mary G. Talcott, an employee of the bank; the Board's Committee recommending approval of the salary payment involved.

Approved.

Report of Committee on Salaries and Expenditures on letter dated March 7th from the Federal Reserve Agent at St. Louis, requesting approval of the action of the Executive Committee of the bank in voting to extend for a period of thirty days from March 6th, with full pay, leave of absence on account of illness previously granted Mr. J. W. Rinkleff, controller at that bank; the Board's Committee recommending approval of the salary payment involved.

Approved.

Letter dated March 6th from the Chairman of the Federal Reserve Bank of San Francisco, advising that the board of directors of the bank has voted to transfer Mr. W. N. Ambrose from the position of Cashier at the head office to that of Managing Director of the Los Angeles Branch, effective April 1st, and at the same time to transfer Mr. W. M. Hale, at present Managing Director of the Branch, to the position of Cashier at the head office; the Chairman stating that no adjustment in the salaries of the officers is involved.

Noted.

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Memorandum dated March 12th from the Secretary, advising that all Federal Reserve banks concerned have approved the following changes recommended by the Federal Reserve Bank of Atlanta in its inter-district time schedule:

From Atlanta to Kansas City	-	From three to two days
" Atlanta to El Paso	-	" four to three days
" New Orleans to Kansas City	-	" three to two days
" New Orleans to Omaha	-	" three to two days
" New Orleans to Oklahoma City	-	" three to two days
" New Orleans to Memphis	-	" two to one day
" New Orleans to Houston	-	" two to one day
" Birmingham to Omaha	-	" three to two days
" Birmingham to El Paso	-	" four to three days
" Jacksonville to Little Rock	-	" three to two days
" Jacksonville to Denver	-	" four to three days
" Jacksonville to Kansas City	-	" three to two days
" Nashville to Houston	-	" two to three days

Upon motion, the changes recommended by the Atlanta Bank were approved.

Report of Committee on Examinations on letter dated March 6th from the Federal Reserve Agent at St. Louis, with reference to the proceedings instituted by the Board looking toward the forfeiture of membership in the Federal Reserve System of the Lawrence County Bank of Walnut Ridge, Ark.; the Committee recommending that the date set by the Board for its hearing in this case be postponed from March 21st to April 26th, in order that the Federal Reserve Agent may, as he suggests, postpone the date of his hearing in the case from March 19th to April 19th.

Upon motion, the recommendation of the Committee was approved.

Memoranda dated March 7th and 10th from the Board's Counsel and Chief Examiner, respectively, both with respect to letter dated February 28th from the Federal Reserve Agent at Chicago regarding the necessity for the filing of certain supplemental information usually required of state banks admitted



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to the Federal Reserve System by the Peoples Wayne County Bank of Detroit, successor to the Peoples State Bank and the Wayne County Home and Savings Bank, both member institutions; Counsel stating that the requirement for the filing of the supplemental information referred to may be waived by the Board and the Chief Examiner recommending that the requirement be waived.

Upon motion, it was voted not to require the filing of the supplemental information referred to.

Letter dated March 7th from the Federal Reserve Agent at Kansas City, with reference to the failure of the First National Bank, Ault, Colorado, the First National Bank, Coleridge, Nebraska, the First National Bank, Hartington, Nebraska, the First National Bank, Ralston, Oklahoma, and the Farmers National Bank, Philipsburg, Kansas, to pay due regard to the maintenance of their reserves during the past few months and stating that in reply to letters addressed by him to the management of each of the banks named, he has been advised that reserves will be maintained hereafter by all banks except the Farmers National Bank, Philipsburg, Kansas, which is suspended; the Federal Reserve Agent also stating that he has been advised by the Chief National Bank Examiner that in case the active managements of the several other banks fail to take proper action, there are no circumstances which would make it inadvisable for the Federal Reserve Agent to write each director of the institutions in accordance with Section IV (b) of the Board's Regulation D.

Noted, with approval.

Letter dated March 7th from the Federal Reserve Agent at Kansas City, reporting, in accordance with the provisions of Section IV (d) of Regulation

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D, that the Farmers National Bank, Philipsburg, Kansas, the Farmers State Bank, Genoa, Nebraska, the Farmers State Bank, St. Edward, Nebraska, the First National Bank, Coleridge, Nebraska, and the First National Bank, Ralston, Okla. have been deficient in reserves during each reserve computation period for six or more consecutive months prior to February 1st; the Agent recommending that no action be taken by the Board in the case of any of the banks mentioned since the Farmers National Bank of Philipsburg has suspended, the Board has instituted proceedings looking to the forfeiture of the membership of the Farmers State Bank of Genoa and the Farmers State Bank of St. Edward, and the Managements of the First National Bank of Coleridge and the First National Bank of Ralston have advised him that their reserves will be maintained at the required level.

Noted, with approval.

The Secretary then presented draft of a circular letter to the Governors of all Federal Reserve banks, prepared at the suggestion of Mr. Hamlin, requesting that they furnish the Board with a statement as of March 14, 1928 showing the amount of paper held under discount which is secured by collateral and the amount not so secured, as well as the amount of marginal collateral held as additional security.

Upon motion, the above letter was approved.

REPORTS OF STANDING COMMITTEES:

- Dated, March 10th, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date.  
Recommendations approved.
- Dated, March 9th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.  
Recommendations approved.

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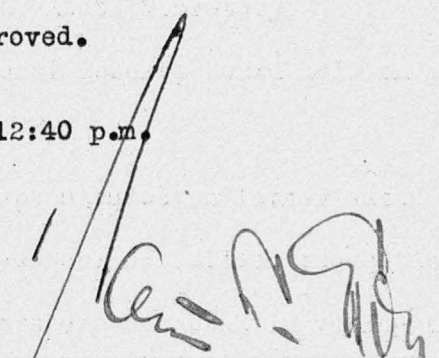
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REPORTS OF STANDING COMMITTEES: (Cont'd)

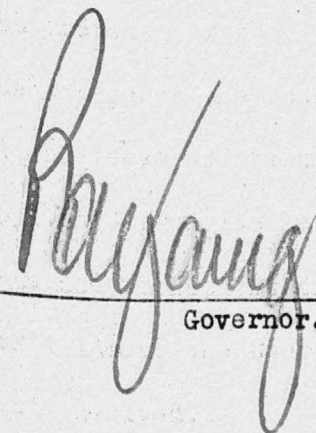
Dated, March 8th, Recommending action on an application for admission of a state bank, subject to the conditions stated in the individual reports attached to the application, as set forth in the Auxiliary Minute Book of this date.  
Recommendation approved.

Dated, March 10th, Recommending refusal of an application for admission of a state bank as set forth in the Auxiliary Minute Book of this date.  
Recommendation approved.

The meeting adjourned at 12:40 p.m.

  
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Secretary.

Approved:

  
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Governor.