

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, March 28, 1928 at 11:00 a.m.

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

The minutes of the meetings of the Federal Reserve Board held on March 24th and 26th were read and approved.

The Governor then referred to the question of topics to be suggested by the Board for consideration at the forthcoming Governors' Conference. He suggested the following topics which were approved by the Board for submission to the Conference:

- (1) Advisability of requiring member banks in reserve and central reserve cities to compute reserves daily, based upon deposits as at the close of business on the preceding business day.
- (2) Desirability of bringing to the attention of the directors of all member banks their liability in connection with loans made and dividends paid while reserves are deficient.
- (3) Advisability of the Board increasing the number of reserve cities.
- (4) Desirability of preparing to submit to Congress a complete program for the revision of reserve requirements, including a firm definition of time and saving deposits.

The Governor also suggested that as a topic for discussion at the next meeting of the Federal Advisory Council the Board submit the question of investments in government securities by the individual Federal Reserve banks outside of the open market investment account of the System, which suggestion was approved.

Letter dated March 23rd from the Chairman of the Federal Reserve Bank of Philadelphia, with reference to the action of the Board at its meeting on January 31, 1928 in voting to request the directors of the Federal Res-

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erve Bank of Philadelphia to reconsider, from a System standpoint, their action in increasing the salary of Mr. George W. Norris, Governor of the bank, from \$25,000 to \$30,000 per annum for the year 1928, and that the directors be advised that the Board will approve for Governor Norris, if recommended, a salary of not to exceed \$27,000 per annum; the Chairman stating that in accordance with the suggestion of the Board his directors have reconsidered their action and have fixed Governor Norris' salary at \$27,000 for the year 1928.

Upon motion by Mr. Hamlin, the salary of \$27,000 fixed by the Philadelphia directors for Governor Norris was formally approved, Messrs. James and Miller not voting.

The Secretary then referred to the action of the Board at its meeting on March 24th in referring to the Executive Committee with power the application of the Commercial Exchange Bank of New York City for permission to exercise general fiduciary powers, if and when authorized by the Comptroller of the Currency to commence business as a national bank under the title "Commercial Exchange National Bank in New York".

He reported that the Executive Committee on March 24th approved the application, which action was upon motion ratified.

Letter dated March 22nd from Mr. Robert W. Benmer, tendering his resignation as clerk in the office of the Secretary of the Board, Currency Division, effective May 1, 1928.

Upon motion, the above resignation was accepted and the Secretary was authorized to fill the vacancy if and when necessary.

Letter dated March 23rd from the Chairman of the Federal Reserve Bank

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of Chicago, advising of the appointment of Mr. Julius H. Haass, President of the Peoples Wayne County Bank of Detroit, as a director of the Detroit Branch for the unexpired term of Mr. John W. Staley, deceased, ending December 31, 1929.

Noted.

Report of Committee on Salaries and Expenditures on letter dated March 26th from the Deputy Governor of the Federal Reserve Bank of New York, transmitting a list of employees for whom the directors of that bank approved leaves of absence with pay on account of illness during the month of February, where the total of such absences since January 1, 1928 has exceeded thirty days; the Board's Committee recommending approval of the salary payments involved.

Approved.

Report of Committee on Salaries and Expenditures on letter dated March 23rd from the Secretary of the Federal Reserve Bank of Cleveland, advising of the action of the Executive Committee of that bank in voting to extend for a period of three months from March 6th, with full pay, leave of absence on account of illness previously granted Mr. Ralph McGraw, an employee of the Transit Department; the Board's Committee recommending approval of the salary payment involved.

Approved.

Report of Committee on Salaries and Expenditures on letter dated March 21st from the Chairman of the Federal Reserve Bank of San Francisco, advising of the action of the board of directors of that bank in voting to extend for a period of six months from April 1st, with half pay, leave

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of absence on account of illness previously granted Mr. Hans Flo, an employee of the Salt Lake City Branch; the Board's Committee recommending approval of the salary payment involved.

Approved.

Report of Committee on Salaries and Expenditures on letter dated March 21st from the Chairman of the Federal Reserve Bank of San Francisco, advising of the action of the board of directors of that bank in voting to extend for a period of three months from April 1st, with full pay, leave of absence on account of illness previously granted Mr. Clifford L. Johnson, an employee of the Transit Department; the Board's Committee recommending approval of the salary payment involved.

Approved.

Report of Committee on Salaries and Expenditures on letter dated March 20th from the Governor of the Federal Reserve Bank of San Francisco, requesting approval of a salary of \$2700 per annum for Mr. John Bruce Junor, to be appointed Chief of the Mechanical Maintenance Department of the Los Angeles Branch to succeed Mr. C. J. Currie, whose resignation will be requested on account of unsatisfactory services; the Board's Committee recommending approval of the salary mentioned.

Approved.

Memorandum dated March 27th from the Board's General Counsel (1) submitting and requesting authority to have printed proposed revisions of forms used by the Board in connection with the administration of the Clayton Act, with changes made necessary by an amendment to that act recently enacted; (2) requesting authority for the printing of the Board's

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new Regulation L, together with the text of Section 8 of the Clayton Act as amended, in a separate pamphlet, thus avoiding the necessity of reprinting the complete edition of the Board's 1928 Regulations; and (3) submitting draft of a circular letter to be transmitted to all Federal Reserve Agents transmitting for their advance information mimeograph copies of Regulation L, Second Series of 1928 and printed copies of the amendment to the Clayton Act.

Upon motion, the forms submitted by Counsel, after minor amendment, were approved and ordered printed.

Upon motion, it was then voted to authorize the printing in a separate pamphlet of Regulation L, Second Series of 1928 and the text of Section 8 of the Clayton Act as recently amended.

Upon motion, it was voted to approve the proposed circular letter to all Federal Reserve Agents submitted with Counsel's memorandum.

Mr. Hamlin then referred to a conversation with Senator Glass during which the Senator stated he would like to have Mr. E. B. Stroud, Counsel for the Federal Reserve Bank of Dallas, who prepared the Digest furnished the Board of the proceedings recently held by the directors of the Dallas bank with reference to the administration of that institution, go over the record of the Dallas proceedings with him, as Chairman of the Sub-committee which is conducting the investigation of the affairs of the Federal Reserve Bank of Dallas directed by Senator Resolution #152.

Upon motion, the Secretary was instructed to arrange through the Board's Counsel to have Mr. Stroud visit Senator Glass in accordance with his request.

REPORTS OF STANDING COMMITTEES:

Dated, March 24th, Recommending changes in stock at Federal Reserve banks
26th, as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.

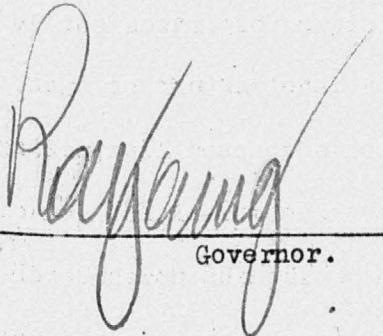
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REPORTS OF STANDING COMMITTEES: (Cont'd)

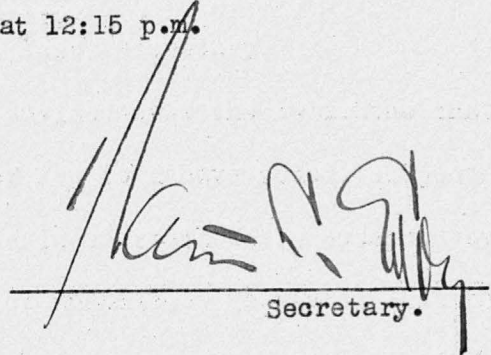
Dated, March 24th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date. Recommendation approved.

The meeting adjourned at 12:15 p.m.

Approved:



Governor.



Secretary.