

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, March 30, 1928 at 11:20 a.m.

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

The Governor stated that he has been advised over the telephone that the directors of the Federal Reserve Bank of New York have voted, subject to the approval of the Board, to participate in a credit to be extended by various central banks to the National Bank of Rumania. He stated that the details of the matter will reach the Board tomorrow at which time it will be brought up for formal consideration.

Telegram dated March 28th from the Secretary of the Federal Reserve Bank of Boston and letter dated March 29th from the Secretary of the Federal Reserve Bank of New York, both advising that their boards of directors at meetings on the dates stated made no changes in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

The Governor then referred briefly to recent and prospective changes in the open market investment account and to the money market situation in New York. In this connection, he presented a telegram dated March 30th from the Deputy Governor of the Federal Reserve Bank of New York, advising of the establishment today of the following schedule of rates for purchases of acceptances:

Bankers		
1 to 30 days	-	3 1/2%
31 to 90 days	-	3 5/8%
91 to 120 days	-	3 3/4%

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121 to 180 days	-	4%
Repurchase	-	3 1/2%
Trade	-	4%

Without objection, noted with approval.

Letter dated March 29th from Messrs. Shearman and Sterling, attorneys for the National City Bank of New York, advising that the Executive Committee of the bank has authorized the closing on April 14, 1928 of the branch which has been maintained in Yaguajay, Cuba.

Noted.

Application of The Farmers National Bank of Colfax, Washington, which has previously been authorized to act as trustee, executor, administrator and registrar of stocks and bonds, for permission to act as guardian of estates, assignee, receiver, committee of estates of lunatics and in any other fiduciary capacity in which state banks, trust companies or corporations which come into competition with national banks are permitted to act under the laws of the state of Washington; together with recommendation of the Federal Reserve Agent at San Francisco and the Board's Sub-committee and Law Committee that the application be granted only with respect to "guardian of estates".

Upon motion, it was voted to authorize The Farmers National Bank of Colfax, Washington, to act as guardian of estates, in addition to powers previously granted, and to defer action on the other powers included in the present application.

Report of Committee on Salaries and Expenditures on letter dated March 28th from the Secretary of the Federal Reserve Bank of Boston, advising 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, Mr. Frank C. Hoyt, Mr. Joseph

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Powers, and Mr. Lester W. Clark, employees of the bank, Mr. Buckley and Miss Roberts to receive half pay, Messrs. Hoyt and Powers full pay and Mr. Clark full pay until April 1st with half pay thereafter; the Board's Committee recommending approval of the salary payments involved.

Approved.

Letter dated March 27th from the Assistant Federal Reserve Agent at New York, advising that the Bank of Genesee, Batavia, N. Y. has been converted into a trust company under the name of "Genesee Trust Company".

Noted.

At this point, Mr. McIntosh joined the meeting.

Telegram dated March 29th from the Deputy Governor of the Federal Reserve Bank of Dallas, advising that the Federal Intermediate Credit Bank of Berkeley, Cal., at the request of the Pacific National Agricultural Credit Corporation of Fresno, Cal., has asked that the El Paso Branch be designated as its agent, under proper power of attorney, to receive permits and execute releases for its account in order to save time in handling remittances on sales of livestock; the Deputy Chairman in his telegram setting out briefly the operations involved and inquiring as to the attitude of the Board toward the designation and on the question of making a charge for the services contemplated.

After discussion, the above telegram was referred to the Governor for investigation and report to the Board.

The Secretary then submitted application of the Sanford-Atlantic National Bank, Sanford, Fla. for permission to exercise general fiduciary powers and reported that the Law Committee is divided in its recommendation thereon; Mr. McIntosh favoring approval and Messrs. Platt and Hamlin recommending

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consideration by the full Board in view of the fact that the capital account of the bank, capital \$100,000 and surplus \$20,000, while sufficient to justify granting of the application under state law, is less than the capital and surplus required by the Commissioner of Banking of the State of state institutions granted trust powers, namely, capital \$100,000 and surplus \$50,000. The Secretary referred to the action of the Board on September 6, 1927 in granting general fiduciary powers to the First National Bank of Perry, Fla., an institution having a capital of \$50,000 and a surplus of \$50,000, which action was taken, however, with the understanding that it was not to be considered as a precedent in future cases. He read to the Board a memorandum from Counsel dated March 21st, stating that while there is no legal reason why the Board should not approve the application of the Sanford-Atlantic National Bank, it is a question of policy for determination by the Board whether or not it will follow the requirements of the State Bank Commissioner rather than the requirements of state law.

After discussion, the file on the above case was ordered circulated and brought up at a later meeting of the Board.

Memorandum from Counsel dated March 28th with further reference to the Clayton Act application of Mr. Parmely W. Herrick, involving the Harriman National Bank of New York City, the New York Joint Stock Land Bank of Rochester, the Ohio-Pennsylvania Joint Stock Land Bank of Cleveland and the Union Trust Company of Cleveland, all of which come within the prohibitions of the Clayton Act, which application was considered by the Executive Committee of the Board at its meeting on March 2nd, with the result that a letter was addressed to Mr. Herrick advising him that the Board will be glad to approve his application for permission to serve three of the banks upon

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receipt of advice that he has severed his connection with the other. Counsel submitted with his memorandum a letter from a member of Mr. Herrick's law firm inquiring whether there is not some way by which the Board could grant the application as regards all four banks. In his memorandum Counsel stated there is no way by which the Board, under the present law, can grant the application as filed, but suggested that further action on the application might appropriately be deferred, as was recently done in the case of Mr. Frank O. Wetmore, in view of the fact that the Board has under consideration the advisability of recommending to Congress an amendment to the Clayton Act which would exempt joint stock land banks from the prohibitions thereof.

After discussion, Counsel's suggestion was approved and further action on Mr. Herrick's application was deferred in accordance therewith.

Letter dated March 30th from the Comptroller of the Currency, recommending approval of a salary of \$3,300 per annum for National Bank Examiner Charles E. Barthe, assigned to the Second Federal Reserve District.

Approved.

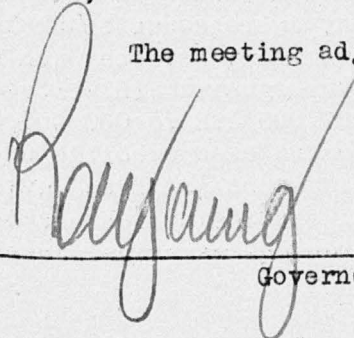
The minutes of the meeting of the Federal Reserve Board held on March 28th were then read and approved.

REPORTS OF STANDING COMMITTEES:

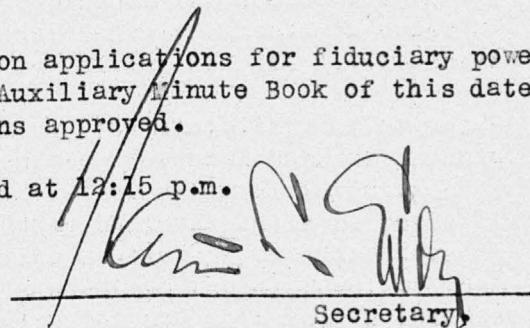
Dated, March 19th, Recommending action on applications for fiduciary powers
27th, as set forth in the Auxiliary Minute Book of this date.
28th, Recommendations approved.

The meeting adjourned at 12:15 p.m.

Approved:



Governor.



Secretary