

A meeting of the Federal Reserve Board was held in the office of Federal Reserve Board on Friday April 6, 1928, at 11:40 a.m.

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

The Governor stated that special order of business for this meeting would be consideration of the following report dated April 6th of the Board's Committee on District No. 8:

"Chairman Martin of the Federal Reserve Bank of St. Louis, accompanied by Mr. Mullgardt, Architect, appeared before the Committee today with a statement that pursuant to authorization made by the Board on January 31, 1928, plans and specifications for building at the Memphis Branch had been prepared and that the estimated cost of the building was \$325,000.

"The project has the approval of the Board of Directors of the Memphis Branch, and also the approval of the Board of Directors of the Federal Reserve Bank of St. Louis, and the matter is now before the Federal Reserve Board for its action.

"The Committee recommends that the Board interpose no objection to the Federal Reserve Bank of St. Louis proceeding with the taking of bids and letting of contracts for the erection of the building for the Branch."

The Secretary advised the Board that Chairman Martin of the St. Louis bank informed him that the estimated cost of the completed building, ready for occupancy, would be \$337,000, divided as follows:

Building proper	\$200,000
Vault construction and equipment	50,000
Fixed machinery and equipment	75,000
Furnishings and fixtures	12,000

After discussion, upon motion by Mr. Hamlin, it was voted to interpose no objection to the Federal Reserve Bank of St. Louis proceeding with the securing of bids and the letting of contracts for the erection of the proposed building, based upon the estimated cost above referred to.

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The minutes of the meeting of the Federal Reserve Board held on April 4th were then read and approved.

Letter dated April 5th from the Secretary of the Federal Reserve Bank of New York, telegram dated April 4th from the Chairman of the Federal Reserve Bank of Philadelphia, telegram dated April 4th from the Chairman of the Federal Reserve Bank of St. Louis, and telegram dated April 5th from the Chairman of the Federal Reserve Bank of San Francisco, all 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.

Letter dated April 3rd from the Federal Reserve Agent at Cleveland, referring to a telephone conversation with the Governor and stating his understanding that it will be agreeable to the Board if he should absent himself from the bank for a period of approximately three weeks beginning April 7th.

Noted without objection.

Report of Committee on Salaries and Expenditures on letter dated April 4th from the Federal Reserve Agent at St. Louis, advising of the action of the Executive Committee of the bank in voting, subject to the approval of the Board, to increase the salary of Mr. R. D. Kincheloe, Manager of the Credit Department of the Louisville Branch, from \$2,600 to \$2,700 per annum, effective April 1, 1928; the Board's Committee recommending approval.

Approved.

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Matter ordered circulated at the meeting on March 30th, namely, file with reference to the application of the Sanford-Atlantic National Bank of Sanford, Fla., for permission to exercise general fiduciary powers.

After discussion, Mr. James moved approval of the application.

Mr. James' motion, being put by the Chair, was carried, the members voting as follows:

Governor Young, "aye"
 Mr. Miller, "aye"
 Mr. James, "aye"
 Mr. McIntosh, "aye"
 Mr. Platt, "no"
 Mr. Hamlin, "no"

Memorandum from Counsel dated March 31st with reference to the matter discussed at the recent conferences of Governors and Federal Reserve Agents, namely, the question whether deposits in member banks by mutual savings banks, Morris Plan banks, co-operative banks, credit unions and building and loan associations should be classed by member banks in computing reserves as amounts "due to" banks within the meaning of Section 19 of the Federal Reserve Act, from which amounts "due from" banks may be deducted; Counsel stating that the recommendation of both the Governors and Agents that no change be made was based upon an apparent misunderstanding that the Board had already ruled that deposits of the kind referred to should not be classed as "due to" banks and that the Board may either permit the existing situation to continue without a ruling or issue a ruling after considering whether each of the classes of institutions mentioned should be properly classified as banks within

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the meaning of Section 19.

After discussion, Counsel's memorandum was referred to the Law Committee for recommendation.

The Secretary then submitted, with the informal approval of the Committee on Salaries and Expenditures, draft of a circular letter to all Federal Reserve banks requesting an expression of views with reference to the advisability of adopting for the System as a whole the plan approved by the Board for the Federal Reserve Bank of New York of classifying personnel into groups and grades with salary ranges for each grade and position, promotions within the grades and salary ranges being made by the bank without first securing the approval of the Board.

After discussion, the proposed circular letter was referred to the Governor with power.

REPORTS OF STANDING COMMITTEES:

- Dated, April 4th, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date.
5th, Recommendations approved.
6th, Recommendations approved.
- Dated, March 31st, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
April 2nd, Recommendations approved.
- Dated, April 3rd, Recommending action on an application of a State bank for membership, 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.

The meeting adjourned at 12:45 p.m.

Approved:

Raymond

Governor

Wm. R. Gray

Secretary