A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, October 4, 1928 at 11:30 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on October 1st were read and approved.

Telegram dated October 3rd from the Chairman of the Federal Reserve Bank of Philadelphia and telegram dated October 3rd from the Chairman of the Federal Reserve Bank of St. Louis, advising that their boards of directors at meetings on the date stated made no changes in the banks' existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Memorandum dated October 2nd from the Director of the Division of Research and Statistics, transmitting the resignation of Mr. W. J. Carson and recommending its acceptance as at the close of business October 4, 1928.

Accepted.

Memorandum dated October 4th from the Assistant Secretary, advising that Mr. T. V. Ott, mail clerk in the Secretary's office, who has been absent from his duties on account of illness since April 27, 1928, and has received full salary during that period, will be unable to return to work for some time and recommending that Mr. Ott be granted leave of absence without pay effective October 1, 1928.

Approved.
Letter dated October 2nd from the Treasurer of the United States, advising that no applications were received from National banks during the quarter ended September 30, 1928 for the sale of bonds under Section 18 of the Federal Reserve Act.

Noted.

Letter dated September 19th from the Federal Reserve Agent at Minneapolis with reference to continued deficiencies in reserves of the First National Bank of Reeder, North Dakota and the First National Bank of Denton, Montana; the Agent stating that in accordance with the Board's Regulation D individual letters have been written to the directors of the banks and recommending that in both cases a further period of thirty days be allowed before any action against the banks is taken by the Board.

Noted, with approval.

The Governor then stated that special order of business for this meeting is consideration of the question of examination of state member banks, more particularly the scope of the work to be undertaken by the Federal Reserve Board through the office of Mr. Gilbert, Supervisor of Examinations. The Governor referred to a memorandum on the subject addressed to the Committee on Examinations under date of September 10th by Mr. Gilbert, outlining his views with respect to the use which should be made by the Board of the information as to the condition of state member banks now received by it through reports of examinations conducted by state authorities. He stated that a copy of Mr. Gilbert's memorandum has been furnished to each member of the Board.

At the suggestion of the Governor, Messrs. Gilbert, Herson and Wyatt were called into the meeting.
The Governor then requested consideration by the Board of several questions which he submitted relating to the responsibility of the Board in the matter of the examination of state member banks. Various questions were discussed thoroughly and individual opinions were expressed regarding them, but formal action was taken only in the case of one, namely, "Is it the duty of the Federal Reserve Board to satisfy and keep itself informed as to the condition of state member banks?"

This question being put to a vote was formally answered in the affirmative, Mr. Platt dissenting.

At the conclusion of the discussion, the Secretary was instructed to furnish the various members of the Board with a report on the other questions discussed, the individual opinions expressed by members of the Board and informal conclusions reached by the Board, consideration of the questions to be resumed at a meeting to be held on Tuesday, October 9th.

REPORTS OF STANDING COMMITTEES:

Dated, September 29th, Recommending changes in stock at Federal Reserve
October 2nd, Banks as set forth in the Auxiliary Minute Book
3rd, of this date.

Recommendations approved.

The meeting adjourned at 1:15 p.m.

Approved:

Governor.