A meeting of the Federal Reserve Board was held in the office of the
Federal Reserve Board on Friday, October 5, 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
4th were read and approved.

The Governor referred to the special order of business scheduled for
this meeting, namely, a conference with a committee of the Federal Reserve
Bank of Atlanta consisting of Chairman Newton, Director Lea and Governor
Black regarding the resolution recently adopted by the board of directors
of the Atlanta bank, requesting that the bank and its branches be permitted
to discontinue the collection of noncash items. The Governor stated that
Messrs. Newton and Black are in Washington today but because of the inability
of Director Lea to be present do not desire to confer with the Board. He
stated that he discussed the question of noncash collections informally with
them and was informed that the matter will be given further consideration in
Atlanta after which it will again be taken up with the Board.

Letter dated October 4th from the Secretary of the Federal Reserve
Bank of New York and telegram dated October 4th from the Chairman of the
Federal Reserve Bank of San Francisco, 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.
Report of Committee on Salaries and Expenditures on letter dated October 1st from the Deputy Governor of the Federal Reserve Bank of Boston, transmitting report of employees for whom the directors of that bank approved leaves of absence with pay on account of illness during the month of September, 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 October 1st from the Secretary of the Federal Reserve Bank of Chicago, transmitting report of employees for whom the directors of that bank approved leaves of absence with pay on account of illness during the period August 24th to September 27th, 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 report from the Federal Reserve Bank of Minneapolis, of one employee for whom the directors of that bank approved leave of absence with pay on account of illness during the month of September, whose total absences since January 1, 1928 have exceeded thirty days; the Board’s Committee recommending approval of the salary payment involved.

Approved.

Letter dated September 25th from the Federal Reserve Agent at San Francisco, transmitting copies of a letter addressed to the United States District Attorney at Los Angeles reporting certain transactions disclosed
by an examination of the former Pacific Southwest Trust and Savings Bank made as of February 5, 1927, between the bank and S. C. Lewis and the Julian Petroleum Corporation as a result of which certain liabilities were apparently assumed by the Pacific Southwest Trust and Savings Bank. The Secretary stated that this presumably is intended as a final report of certain apparent violations of Federal Statutes by officers of the bank, previously brought to the attention of the Board, although none of the officers are specifically referred to.

Upon motion, it was voted to refer the report to the Law Committee.

Letter dated October 1st from the Federal Reserve Agent at Dallas, with reference to a statement regarding the current cotton crop made by Mr. W. J. Evans, Assistant Federal Reserve Agent at Dallas, which has been the subject of critical comment by the press and others in the Southwest.

Referred to the Committee on District #11 for recommendation.

The Governor then submitted draft of a letter to the Chairmen of all Federal Reserve banks, prepared in accordance with the action of the Board at its meeting on September 26, 1928, requesting that the directors of the banks, in submitting changes in discount rates to the Board, also furnish a statement of the reasons which actuated them in making the change.

Upon motion, the letter was approved as amended.

The Governor then reported a conversation with Mr. Chester Morrill, Secretary of the Federal Farm Loan Board, regarding the proposed reorganization of the Joint Stock Land Bank at Kansas City, in connection with which stockholders are depositing with the receiver of the institution about $44,000,000 of Federal Land Bank securities. He stated that the receiver has no facilities for
the safekeeping of the securities and that Mr. Morrill made inquiry as to what
the attitude of the Board would be toward the Federal Reserve Bank of Kansas
City acting as custodian for the receiver, issuing a non-negotiable, non-transferable trust receipt, and with reimbursement to cover expenses and release
from all responsibility except for negligence. The Governor stated that he
had expressed the opinion that the Board would not care to interfere and would
leave the decision in the matter entirely to the directors of the Federal Res-
serve Bank of Kansas City.

REPORTS OF STANDING COMMITTEES:

Dated, October 4th, Recommending changes in stock at Federal Reserve Banks
as set forth in the Auxiliary Minute Book of this date. Recommendation approved.

Dated, October 2nd, Recommending approval of the application of Mr. Robert
C. Hill for permission to serve at the same time as director of the Bank of New York and Trust Company and
as director of the Dunbar National Bank, New York, N. Y. Recommendation approved.

The meeting adjourned at 12:15 p.m.

Approved:

Secretary.

Governor.