

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Saturday, January 8, 1927 at 11:00 a.m.

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

The minutes of the meetings of the Federal Reserve Board held on January 7th were read and approved as amended.

Telegram dated January 8th from the Chairman of the Federal Reserve Bank of Cleveland, advising that the board of directors on that day made no change in the bank's existing schedule of rates of discount and purchase.

Noted.

Telegram dated January 7th from the Chairman of the Federal Reserve Bank of Dallas, advising that the board of directors on that day made no change in the bank's existing schedule of rates of discount and purchase.

Noted.

Letter dated January 6th from the Deputy Governor of the Federal Reserve Bank of New York, advising of revised percentages of participation of the Federal Reserve banks in foreign accounts for the year 1927.

Noted.

Telegram dated January 7th from the Federal Reserve Agent at San Francisco, requesting approval of an application of the Pacific Southwest Trust and Savings Bank of Los Angeles for permission to take over the Moneta Commercial Bank, Moneta, Cal. and establish a branch in the premises;

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the Federal Reserve Agent stating that formal application was mailed to the Board on January 4th with favorable recommendation by himself and the Executive Committee of the Federal Reserve bank, even though Moneta is not immediately contiguous to the city of Los Angeles, being one-half mile from the city limits, but that immediate approval is requested because of the condition of the bank and the fact that a run by the depositors has started.

Upon motion, it was voted to approve the application.

Report of Executive Committee on letter dated January 6th from the Comptroller of the Currency, requesting approval of a salary of \$3600 per annum for National Bank Examiner R. B. Hewitt, to be assigned to the 10th Federal Reserve District; the Committee recommending approval.

Approved.

Report of Executive Committee on letter dated January 7th from the Comptroller of the Currency, requesting approval of a salary of \$3,000 per annum for Mr. Edwin J. Becker, Jr., National Bank Examiner, junior grade, assigned to the 10th Federal Reserve District; the Committee recommending approval.

Approved.

Telegram dated January 7th from the Chairman of the Federal Reserve Bank of Dallas, advising of the re-election for the year 1927 of all officers of that bank and its branches and of the reappointment of Mr. B. A. McKinney as member of the Federal Advisory Council from the 11th District for the year.

Noted.



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Report of Executive Committee on letter dated January 6th from the Secretary of the Federal Reserve Bank of New York, transmitting with favorable recommendation, application of the Bowery and East River National Bank of New York for permission to accept drafts or bills of exchange drawn upon it up to 100% of its paid-in capital and surplus, in accordance with the provisions of Section 13 of the Federal Reserve Act; the Committee recommending approval.

Approved.

Letter dated January 7th from Mr. Owen D. Young, as follows:

"I discussed with the directors and officers of the Federal Reserve Bank of New York at their meeting this afternoon the program which you had suggested in behalf of the Federal Reserve Board of resigning as a Class 'B' director of the Federal Reserve Bank of New York in order that I might qualify for appointment as a Class 'C' director and become through designation the Vice Chairman of the Board of the Federal Reserve Bank of New York. Our directors and officers here seem to be in unanimous agreement with your suggestion, and so I bow to that decision with gratitude for the high honor which you pay me.

I share fully your views and those of the Federal Reserve Board as to the desirability of emphasizing in fact and also in the public estimation the importance of the office of Chairman of the Board of the Federal Reserve Bank of New York. It should, in my judgment, stand next in importance to membership on the Federal Reserve Board. It should be so highly estimated that the entire banking community of a city even like New York would value appointment to the position much as the entire financial community of London looks upon the Governorship of the Bank of England.

What I have said is not intended at all to depreciate the importance of the position of Governor of the Federal Reserve Bank of New York. That, too, is a most important office. If our great commercial banks and our great industrial organizations find it desirable to have two men, both highly qualified in the positions respectively of Chairman and President, I see no reason why the greatest central bank in the world should not be able to support also two men in those high positions without derogation of the standing of one by the other.

I sincerely hope that the permanent Chairman of the Board may be soon selected, because until then there will be burdens on me as Vice Chairman, of which I should be glad personally to be relieved, and also because I think it will be in the interest of the Bank to have this permanent position promptly filled. I hope we may be able to induce a man of such high qualifications and position as Mr. McGarrah to undertake that job.

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"With expressions of appreciation to you and your associates on the Board, I beg to remain,"

Noted.

At this point, Mr. McIntosh joined the meeting and Mr. Gilbert, Supervisor of Member Bank Examination, appeared before the Board. He read a detailed report, based upon a recent visit to the Federal Reserve Bank of Chicago, on the subject of banking conditions in the State of Iowa.

After discussion, Mr. Hamlin moved that Mr. Gilbert, under the direction of the Governor, arrange for the Federal Reserve Agent at Chicago to undertake immediately the survey recommended in his report and that the cooperation of the Comptroller of the Currency be requested in the matter of making necessary examinations of National banks.

Carried.

Mr. Gilbert then left the room.

Mr. James presented and read to the Board a report and recommendations dated January 6th and 8th of the special committee appointed at the meeting on December 7th, to confer with a committee of directors of the Federal Reserve Bank of Atlanta with reference to the formulation of a plan for the future operation of the Havana Agency of that bank.

Mr. James moved tentative approval of the report and recommendations of the Committee.

Mr. Cunningham moved, as a substitute, that the report and recommendations of the committee be laid on the table for further consideration as special order of business at a meeting on Wednesday, January 12th at 10:00 o'clock, and that in the meantime a copy of the report and recommendations be furnished to each member of the Board.

Mr. Cunningham's substitute motion being put by the Chair was carried.

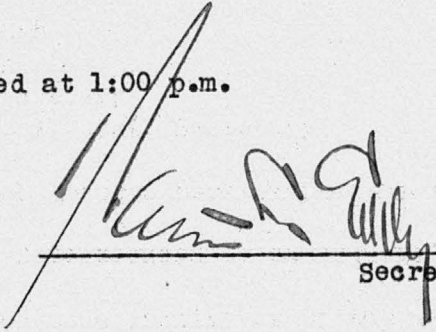
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REPORTS OF STANDING COMMITTEES:

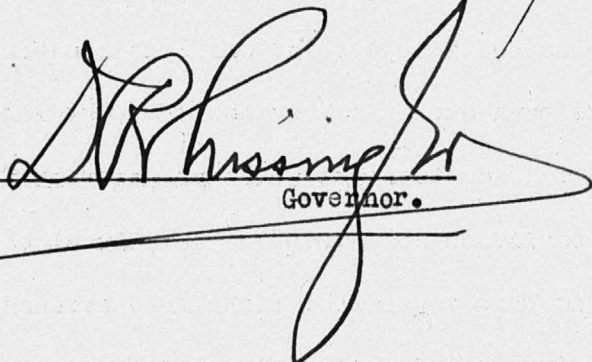
Dated, January 7th, Recommending approval of the application of Mr. Walter H. Eckert for permission to serve at the same time as director of the National Bank of Commerce, Chicago, Ill., as director of the First National Bank, La Grange, Ill., and as director of the Commerce Trust and Savings Bank, Chicago, Ill.

Approved.

The meeting adjourned at 1:00 p.m.

  
Secretary.

Approved:

  
Governor.