

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, July 6, 1927, at 2:30 p.m.

PRESENT: Governor Crissinger  
Mr. Hamlin  
Mr. Miller  
Mr. James  
Mr. Cunningham  
Mr. Noell, Assistant Secretary  
Mr. McClelland, Assistant Secretary

Telegram dated July 5th from the Chairman of the Federal Reserve Bank of Dallas, advising that the board of directors at their meeting on that date made no change in the bank's existing schedule of rates of discount and purchase.

Noted.

Telegram dated July 6th from the Chairman of the Federal Reserve Bank of Philadelphia, advising that the board of directors at their meeting on that date made no change in the bank's existing schedule of rates of discount and purchase.

Noted.

Memorandum from the Assistant Secretary dated July 6th calling attention to a circular issued by the Governor of the Federal Reserve Bank of Dallas, advising that the County of Menard, Texas, which it was originally intended to transfer from the Dallas Head Office territory to the San Antonio Branch territory, is to be retained by the Head Office; the Assistant Secretary recommending that the Board approve of an appropriate amendment to the by-laws of the San Antonio Branch.

Upon motion, it was voted to approve the amendment to the by-laws made necessary by the above change.

Memorandum dated July 5th from Counsel submitting letter addressed to him under date of July 1st by Mr. Albert Rathbone, transmitting state-

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ment in the amount of \$1,000 for services rendered in connection with the revision of the Board's Regulation K; Counsel calling attention to the fact that the fee for Mr. Rathbone was previously fixed by the Board and recommending that the statement be paid.

Upon motion, Mr. Rathbone's statement was approved for payment.

Letter dated July 2nd from the Assistant Federal Reserve Agent at New York advising that the Bayonne Trust Company, Bayonne, N. J., on July 1st opened a branch at Broadway and 41st Street, Bayonne; that certain consolidations resulting in the formation of branches of the Fidelity Union Trust Company of Newark, N.J., as previously reported to the Board, were consummated at the close of business June 29th; and that the Franklin National Bank of New York and the private banking business of Bloomingdale Brothers were on June 30th merged into branches of the Interstate Trust Company of New York.

Noted.

Memorandum from Counsel dated July 6th submitting letter dated June 28th from the Department of Justice, with regard to a report recently made to the Department by the Board that the Page Bank of St. Louis County, Missouri, a closed non-member bank, had been advertising that it was a member of the Federal Reserve System through the issuance of savings department pass books bearing the design "Member Federal Reserve System"; the letter from the Assistant Attorney General advising that an investigation made by the Department of Justice discloses that the pass books in question were issued inadvertently, having been printed while the bank had pending an application for membership in the System

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which did not receive favorable consideration.

Noted.

The Secretary then read to the Board draft of a letter to the Federal Reserve Agent at Chicago, prepared in accordance with instructions at the meeting yesterday, with reference to the custody of reports of examinations of member banks in the Detroit Branch territory by the Managing Director of the Branch; the letter calling particular attention to the fact that these reports should be furnished to the Managing Director confidentially and for his sole use, and should under no circumstances be made available to other directors of the branch.

Upon motion, it was voted to approve the letter submitted, subject to approval by the Comptroller of the Currency.

The Secretary then read to the Board draft of a letter to the Federal Reserve Agent at Chicago, advising of the action taken by the Board at the meeting yesterday with reference to bank relations work at the Federal Reserve Bank of Chicago.

Approved.

The Governor then brought up the special order for today's meeting, namely, memorandum submitted by Mr. Miller at the meeting on June 30th, with reference to the purchase and sale by Federal Reserve banks of bills of exchange and bankers acceptances in foreign money markets.

After discussion, Mr. Miller submitted and moved adoption of the following:

"That it be the sense of the Federal Reserve Board that the authority conferred upon it by Sections 13 and 14 of the Federal Reserve Act, with respect to the purchase and sale of bills of exchange and acceptances, applies to such purchases and sales made abroad as well as

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at home, and that the Board rule that such purchases and sales are subject to its regulation and approval."

The motion submitted by Mr. Miller, being put by the Chair, was carried.

Mr. Hamlin explained that he voted for this resolution on the assumption that the word "approval" refers only to such approval as may be prescribed in regulations yet to be framed.

The minutes of the meetings of the Federal Reserve Board held on June 29th and 30th and of the meetings held on July 5th were then read and approved.

Mr. Miller advised the other members of the Board that he expects to leave on the 13th of July for a visit to the Pacific coast and the northwest.

REPORTS OF STANDING COMMITTEES:

- Dated, July 6th, Recommending a change in stock at a Federal Reserve Bank as set forth in the Auxiliary Minute Book of this date.  
Recommendation approved.
- Dated, July 5th, Recommending approval of the application of Mr. A. E. Huntington for permission to serve at the same time as President and director of the California National Bank, Beverly Hills, Calif., as Vice President and director of the California Bank, Los Angeles, Calif., and as Vice President and director of the California Trust Company, Los Angeles, Calif.  
Recommendation approved.
- Dated, July 5th, Recommending approval of the application of Mr. Allen P. Dodd for permission to serve at the same time as director of the National Bank of Kentucky, Louisville, Ky., as director of the Louisville Trust Company, Louisville, Ky., and as director of the Morris Plan Industrial Bank, Louisville, Ky.  
Recommendation approved.

The meeting adjourned at 3:30 p.m.

Approved: \_\_\_\_\_

*[Signature]*  
Governor

*[Signature]*  
Assistant Secretary