A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, July 21, 1927, at 9:45 a.m.

PRESENT: Governor Crissinger
Mr. James
Mr. McIntosh
Mr. Noell, Asst. Secretary
Mr. McClelland, Asst. Secretary

Telegram dated July 20th from the Assistant Federal Reserve Agent at 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.

Telegram dated July 16th from the Secretary of the Federal Reserve Bank of Minneapolis, advising that the board of directors at their meeting on July 15th adopted the following schedule of rates for purchases of acceptances:

<table>
<thead>
<tr>
<th>Days</th>
<th>Rate</th>
</tr>
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<tbody>
<tr>
<td>1 to 45 days</td>
<td>3 1/2%</td>
</tr>
<tr>
<td>45 to 120 days</td>
<td>3 3/4%</td>
</tr>
<tr>
<td>Trade bills</td>
<td>4 5/8%</td>
</tr>
</tbody>
</table>

Noted, without objection.

Bonds of Messrs. J. B. Anderson and W. H. Fletcher, Assistant Federal Reserve Agents at the Federal Reserve Bank of Cleveland, dated July 13, 1927, in the amount of $50,000 each.

Approved.

Memorandum from Assistant Counsel on letter dated July 14th from Mr. Louis R. Page, with reference to his Clayton Act application, which at the meeting of the Board on July 12th was temporarily refused, with the usual opportunity to the applicant to furnish additional information in support
of his application; the letter stating that it is not desired to submit additional information and that the applicant will sever his connection with the Corn Exchange National Bank of Philadelphia, Pa., and remain a director of the Bank of North America and Trust Company of Philadelphia and the Delaware County National Bank of Chester, Pa.; Counsel expressing the opinion that the two institutions last named are not in substantial competition and that the Board should authorize Mr. Page to serve these two institutions.

Upon motion, it was voted to authorize Mr. Page to serve as a director of the Bank of North America and Trust Company and the Delaware County National Bank.

Report of Committee on Salaries and Expenditures on letter dated July 15th from the Chairman of the Federal Reserve Bank of Richmond, advising that the Board of Directors at their meeting on July 13th voted to extend for a period of thirty days from July 10th, with full pay, leave of absence on account of illness previously granted Mr. G. A. Minter, an employee of the bank; the Committee recommending approval with the understanding that steps are to be taken to retire the employee in the near future.

Upon motion, the recommendation of the Committee was approved.

Report of Committee on Salaries and Expenditures on letter dated July 13th from the Chairman of the Federal Reserve Bank of Boston, requesting approval of the action of the directors of that bank in voting to extend for periods of thirty days, with full pay, leaves of absence on account of illness granted Miss Olive Glover, Mr. Joseph Buckley, Mr. H. L. Thompson and Mr. James E. Bagley, and in voting to extend, with full pay, until
August 10th, the leave of absence which has been granted Miss Mary Quailey, whose services are to be discontinued as of that date; the Committee recommending approval.

Approved.

Letter dated July 15th from the Comptroller of the Currency, recommending approval of an increase from $6,500 to $7,500 per annum in the salary of National Bank Examiner Clarence F. Smith.

Approved.

Letter dated July 14th from the Deputy Governor of the Federal Reserve Bank of New York, submitting list of employees for whom the directors of that bank have approved leaves of absence, with pay, on account of illness during the month of June, where the total of such absences since January 1, 1927, has exceeded thirty days; the letter also advising that claim for total disability in the case of Mr. George Barrett has been allowed for $1,650 effective August 14th, at which time he will be dropped from the pay roll of the bank.

Upon motion, the salary payments authorized by the directors of the New York bank were approved.

Letter dated July 15th from the Federal Reserve Agent at Chicago, requesting approval of the designation as Examiner of Mr. Leonard B. Achor, who has been serving as Assistant Examiner.

Approved.

Letter dated July 14th from the Federal Reserve Agent at Dallas, requesting approval of an increase from $2,400 to $2,700 per annum in the salary of Mr. I. F. Betts, field representative in the Bank Relations
Letter dated July 18th from the Chairman of the Federal Reserve Bank of Minneapolis, reporting a defalcation in the Collection Department of the bank dating back about five years and totalling approximately $15,000; the Agent stating that it is believed that the bank's fidelity bond fully covers the matter and that a complete history of the case will be reported later when all facts have been ascertained.

Noted.

Letter dated July 18th from the Chairman of the Federal Reserve Bank of Minneapolis, advising that the directors of that bank have voted to install four windows on the Fifteenth Street side of the bank's building at a net cost of around $7,000; the Chairman stating that it may later on be decided to erect heavy bronze grills over these windows at a cost of from $4,000 to $5,000.

Noted, without objection.

Letter dated July 8th from the Chairman of the Federal Reserve Bank of Richmond, inviting members of the Board to attend the annual convention of the National Association of State Bank Supervisors, which will be held in Richmond beginning July 25th.

Noted.

Telegram dated July 15th from Mr. Miller advising of conferences held at Chicago and Minneapolis during the course of his trip to the coast.

Noted.
Matter approved on initials on July 18th, namely, letter to the Federal Reserve Agent at Atlanta, prepared by Mr. Gilbert, based upon an analysis of a recent credit investigation of the Douglasville Banking Company, Douglasville, Ga.

Formally approved.

Matter approved on initials on July 19th, namely, letter to the Federal Reserve Agent at Minneapolis, prepared by Mr. Gilbert, based upon an analysis of a recent credit investigation of the Ihlen State Bank, Ihlen, Minnesota.

Formally approved.

Letter dated July 14th from the Federal Reserve Agent at Kansas City, replying to the Board's letter of July 1st, relative to the condition of the Custer State Bank, Broken Bow, Nebraska; the Agent expressing the opinion that if the bank is permitted to operate until September or October and has not by that time restored its capital and in some manner effected a great improvement in its condition, action should be taken looking toward the forfeiture of its membership in the Federal Reserve System.

After discussion, action on the above letter was deferred until a meeting of the full Board.

The Governor then presented letter dated July 18th from the Federal Reserve Agent at Chicago, with reference to the coordination of the examination and bank relations work at that bank and a possible increase in the joint force. The Governor also presented a letter addressed by him to the Federal Reserve Agent, requesting a report of the number of exam-
institutions of state member banks made in his district since January 1st, as well as the number of credit investigations since that date.

Upon motion, action was deferred pending receipt of the report requested by the Governor.

Memorandum from Counsel dated July 15th, with reference to the matter previously considered by the Board, namely, improper actions on the part of certain officers of the Citizens National Bank of Brownwood, Texas; Counsel stating that a report by accountants for the Department of Justice does not indicate that the bank has been guilty of any violations of law which would subject it to forfeiture of charter and that the Board is without authority to revoke the bank's trust permit on the grounds of violations of law, and accordingly suggesting that the matter be filed without action, which suggestion is concurred in by the Deputy Comptroller of the Currency, with whom the matter has been fully discussed.

Upon motion, Counsel's suggestion was approved.

REPORTS OF STANDING COMMITTEES:

Dated, July 16th, 20th, Recommending changes in stock at Federal Reserve Banks as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.

Dated, July 18th, 19th, 21st, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.

Dated, July 19th, Recommending action on an application for a state institution 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.

Dated, July 16th, Recommending approval of the application of Mr. R. Livingston Sullivan for permission to serve at the same time as Vice President and director of the Market Street National Bank, Philadelphia, Pa.; as director of the Real Estate Trust Company, Philadelphia, Pa.; and as director of the Guarantee Trust and Safe Deposit Company, Philadelphia, Pa.
Recommendation approved.
Dated, July 16th, recommending approval of the application of Mr. Richard McAllister, Jr., for permission to serve at the same time as director of the Pacific Avenue National Bank, Atlantic City, N. J., and as director of the Security Trust Company, Camden, N. J.

Recommendation approved.

Dated, July 16th, recommending approval of the application of Mr. E. E. Masterson for permission to serve at the same time as director of the First National Bank in Wichita, Kans., and as director of the First National Bank, Blythe, Calif.

Recommendation approved.

Dated, July 19th, recommending approval of the application of Mr. John H. Davis for permission to serve at the same time as director of the First National Bank, Scranton, Pa., as director of the Fidelity Trust Company, New York, N. Y., and as director of the Manufacturers and Traders-Peoples Trust Company, Buffalo, N. Y.

Recommendation approved.

The meeting adjourned at 10:30 a.m.