

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, September 2, 1927 at 11:40 a.m.

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

The Governor presented a telegram dated September 1st from the Chairman of the Federal Reserve Bank of San Francisco, 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. Discussion then ensued as to the failure of the directors of the Federal Reserve Bank of San Francisco to take action reducing the rediscount rate of the bank.

Following the discussion, Mr. James moved that action on the telegram be deferred until the next meeting of the Board which will be held on Tuesday, September 6th.

Mr. James' motion being put by the Chair was carried.

The Governor then stated that the question of rates at the Federal Reserve Banks of Chicago and San Francisco will be special order of business for Tuesday's meeting.

Matter approved on initials yesterday, namely, application of The Montgomery National Bank of Mt. Sterling, Mt. Sterling, Ky., for permission to exercise certain fiduciary powers under Section 11 (k) of the Federal Reserve Act.

Formally approved.

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Telegram dated September 2nd from the Federal Reserve Agent at San Francisco, with reference to the Board's telegram to him of August 26th, approving participation by Federal Reserve Examiners in an examination to be made by the state banking department of the Security Trust and Savings Bank of Los Angeles and also approving of the Federal Reserve bank consenting to be billed for copies of the report of examination in order to cover a part of the extra expense being incurred by the state banking department in making the examination by simultaneous entry of the head office and all branches; the Agent's telegram reporting that the expense, which will amount to between \$1600 and \$1800, is the entire excess cost to the state banking department of making a simultaneous examination.

Upon motion, it was voted to approve of the Federal Reserve Bank of San Francisco absorbing the expense in question.

Letter dated September 1st from the Assistant Secretary of the Federal Reserve Bank of New York, 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 with approval.

Letter dated August 27th from the Assistant Federal Reserve Agent at San Francisco, advising that the American Trust Company of San Francisco, under authority previously granted by the Board, on August 19th established a branch at 3600 Balboa Street and on August 11th opened their 20th Avenue and Taraval Street branch in temporary quarters at 1050 Taraval Street.

Noted.

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Memorandum dated September 1st from the Director of the Division of Research and Statistics, advising that Miss Arynness Joy, whose temporary appointment from July 1st to August 31st was approved by the Board on May 3rd, has completed her work with the Division.

Noted.

Memorandum dated September 1st from the Chief of the Division of Research and Statistics, recommending acceptance of the resignation of Miss Dorothy A. Wright, stenographer in the Division, effective at the close of business August 31st.

Accepted.

Report of Executive Committee on letter dated August 30th from the Comptroller of the Currency, recommending approval of the salary of \$3600 per annum for National Bank Examiner Charles E. Powell, assigned to the Seventh Federal Reserve District; the Committee also recommending approval.

Approved.

Memorandum dated September 2nd from the Deputy Comptroller of the Currency, advising that the Comptroller of the Currency issued a certificate, effective at the close of business September 1st, for the consolidation of the First National Bank of Los Angeles and the Pacific Southwest Trust and Savings Bank of Los Angeles, under the title "Los Angeles - First National Trust and Savings Bank."

Noted.

Memorandum dated September 1st from the Deputy Comptroller of the Currency, advising that the Los Angeles - First National Trust and Savings Bank has been authorized to establish a branch in the vicinity

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of 561 South Spring Street, Los Angeles.

Noted.

Letter dated September 1st from the Federal Reserve Agent at New York, advising that control of the United National Bank of New York City has been purchased by new interests and that announcement regarding the purchase will be made in about ten days.

Noted.

Letter dated September 1st from the Assistant Federal Reserve Agent at Cleveland, recommending that the Citizens Trust and Savings Bank of Columbus be granted permission to change the location of the branch now operated at High and Russell Streets to the corner of High and Buttes Streets.

Approved.

Letter dated August 24th from the Federal Reserve Agent at New York, advising that control of the Nostrand Bank of Brooklyn has been purchased by directors of the Municipal Bank of Brooklyn, and that the controlling interest in the Longacre Bank of New York City has been purchased by the Financial and Industrial Securities Corporation, which is allied with the Manufacturers Trust Company of New York City.

Noted.

Letter dated August 29th from the Assistant Federal Reserve Agent at New York, advising that the Municipal Bank of Brooklyn expected on August 30th to open a branch on Bay Parkway, corner of West 9th Street, in the Mapleton section of Brooklyn, and that the bank also proposes to

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open two other branches about October 1st, one in the quarters of the Mostrand Bank and the other to be located at Avenue "J" and Coney Island Avenue.

Noted.

Letter dated August 25th from the Governor of the Federal Reserve Bank of New York, advising of further sales of Sterling from the Bank's London account and of purchases of securities for the open market investment account, offsetting the sales of Sterling. In his letter, Governor Strong also referred to other purchases for open market account from foreign correspondents.

Noted.

Letter dated August 31st from the Governor of the Federal Reserve Bank of New York, referring to authorization given by the Board in August, 1917 for the appointment of the Banca d'Italia of Rome as agent and correspondent of the Federal Reserve Bank of New York and transmitting copies of letters exchanged with that institution relative to the opening of accounts and active reciprocal relations between the two banks.

Noted.

Letter dated August 23rd from the Governor of the Federal Reserve Bank of New York, referring to the recent action of the Board in reporting to the Department of Justice certain apparent criminal violations of law on the part of Bernard K. Marcus, President and Director of the Bank of United States, New York City; the letter setting forth in detail the information which the Federal Reserve bank has regarding the apparent

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violations and its reasons for not reporting same to the local United States District Attorney.

Noted.

Memorandum dated August 18th addressed to the Committee on Examinations by Mr. Gilbert, Supervisor of Examinations, with reference to violations of conditions of membership on the part of the Oakland State Bank, Oakland, Nebraska, as disclosed by a recent examination of that bank; Mr. Gilbert submitting with his memorandum a letter dated August 15th from the Federal Reserve Agent at Kansas City regarding the condition of the bank and the outlook for its rehabilitation.

After discussion, the above memorandum was referred back to the Committee on Examinations for consultation with Counsel regarding certain legal questions involved therein.

REPORTS OF STANDING COMMITTEES:

Dated, September 1st, Recommending changes in stock at Federal Reserve
2nd, banks as set forth in the Auxiliary Minute Book
of this date.

Recommendations approved.

Dated, August 31st, Recommending action on applications for fiduciary
powers as set forth in the Auxiliary Minute Book
of this date.

Recommendations approved.

Dated, August 31st, Recommending approval of the application of Mr.
E. McLain Watters for permission to serve at the
same time as director of the National Bank of Olney
in Philadelphia and as director of the National
Bank of Mt. Airy, both of Philadelphia, Pa.

Recommendation approved.

The meeting adjourned at 12:15 p.m.

Approved:

Governor

Assistant Secretary