

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, November 25, 1927 at 12:00 o'clock noon.

PRESENT: Governor Young
Mr. Platt
Mr. Miller
Mr. Cunningham
Mr. McIntosh
Mr. Eddy, Secretary
Mr. McClelland, Asst. Secretary

The minutes of the meeting of the Federal Reserve Board held on November 21st were read and approved.

Telegram dated November 23rd from the Chairman of the Federal Reserve Bank of Boston, letter dated November 23rd from the Assistant Secretary of the Federal Reserve Bank of New York and telegram dated November 22nd from the Chairman of the Federal Reserve Bank of Dallas, all advising that the boards of directors of the banks at meetings on the dates stated made no changes in their existing schedules of rates of discount and purchase.

Without objection, noted with approval.

Report of Committee on Salaries and Expenditures on letter dated November 16th from the Federal Reserve Agent at St. Louis, advising of the action of the Executive Committee of that bank in voting, subject to the approval of the Board, to extend for a period of thirty days, with full pay, leave of absence on account of illness previously granted Mr. James Bowles, an employee of the bank; the Board's Committee recommending approval of the salary payment involved.

Approved.

Report of Committee on Salaries and Expenditures on letter dated November 23rd from the Chairman of the Federal Reserve Bank of Boston,

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advising of the action of the board of directors of that bank in voting, subject to the approval of the Board, to extend until their next meeting, with half pay, leaves of absence on account of illness previously granted Mr. Joseph Buckley and Miss Dorothy M. Roberts, employees of the bank; the Board's Committee recommending approval of the salary payments involved.

Approved.

Report of Committee on Examinations on telegrams dated November 21st and 22nd from the Federal Reserve Agent at Boston, with reference to and recommending approval of a proposal of the Hadley Falls Trust Company, Holyoke, Mass. to consolidate with the City National Bank of Holyoke; the Board's Committee also recommending approval.

Approved.

The Secretary then referred to the statement made by him at the meeting on November 21st to the effect that the Board would be called upon to approve transit time to Charlotte from all other Federal Reserve banks and branches, inasmuch as the Board had been advised that the schedule approved by it on November 17th applies only one way, namely, from Charlotte to the other Federal Reserve points. He stated that schedules to Charlotte have now been submitted by all Federal Reserve banks - San Francisco's having been approved by the Board on November 21st.

Upon motion, complete time schedule from all Federal Reserve banks and branches to Charlotte was approved as follows:

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<u>FROM</u>	<u>TO CHARLOTTE</u>
Boston	2
New York	2
Buffalo	2
Philadelphia	2
Cleveland	2
Cincinnati	2
Pittsburgh	2
Atlanta	1
New Orleans	2
Birmingham	2
Jacksonville	2
Nashville	2
Chicago	2
Detroit	3
St. Louis	2
Louisville	2
Memphis	2
Little Rock	3
Minneapolis	3
Helena	5
Kansas City	3
Omaha	3
Denver	4
Oklahoma City	3
Dallas	3
El Paso	4
Houston	3
San Antonio	3
San Francisco	6
Seattle	6
Spokane	5
Portland	6
Salt Lake City	5
Los Angeles	5

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Telegram dated November 23rd from the Chairman of the Federal Reserve Bank of Dallas, advising of the action of the board of directors of that bank in voting to approve a petition for the transfer from the head office to the Houston Branch territory, effective December 10th, of the counties of San Augustine, Shelby and Sabine.

Upon motion, it was voted to approve the transfer of the counties as authorized by the Dallas directors.

Letter dated November 22nd from the Secretary of the Federal Reserve Bank of Atlanta, with reference to the request of the Board that the By-laws of all Federal Reserve banks be amended so as to provide for the annual election of officers at the first meeting of the board of directors after January 1; the Secretary transmitting for the information of the Board copy of a resolution adopted by the directors of the Atlanta bank amending their by-laws so as to provide that the election of officers of the bank for the year 1928 and the fixing of their salaries shall be taken up at the meeting of the board of directors in December 1927, but that thereafter, beginning in January 1929, the election of officers of the bank and the fixing of their salaries shall be taken up by its board of directors at the first meeting in January of each year.

Noted.

Letter dated November 17th from the Governor of the Federal Reserve Bank of New York, with reference to a tendency toward ease in the money market, brought about by the Treasury overdraft in connection with the November 15th financing.

The above letter having been circulated among the members of the Board was noted.

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Letter dated November 18th from the Governor of the Federal Reserve Bank of New York, transmitting copy of a letter received from the Banque Nationale Suisse of Zurich, with reference to the general position of European exchanges, as viewed from the level of Swiss exchange, and to the present situation with respect to interest rates in Europe.

The above letter, having been circulated among the members of the Board, was noted.

Letter dated November 23rd from the Chairman of the Federal Reserve Bank of Philadelphia, quoting a letter addressed to the board of directors of that bank by Mr. Alba B. Johnson, tendering his resignation as Class B director effective December 31, 1927, in order that he may accept appointment from the Board as Class C Director of the bank to succeed Mr. C. C. Harrison, whose connection with the bank is being severed on account of illness; the Chairman advising that if satisfactory to the Board arrangements will be made immediately for the special election of a Class B director to fill the unexpired term of Mr. Johnson, the polls to be opened on December 15th in order that the election may be concluded by December 31st. In his letter the Chairman also requested authority to announce, in connection with this special election, that Mr. Johnson has resigned as Class B director in order to accept appointment from the Board as Class C director to succeed Mr. Harrison.

Upon motion, it was voted to approve December 15th as the date for opening the polls in the special election referred to, and to authorize the statement suggested by the Chairman of the Philadelphia bank regarding the resignation of Mr. Johnson.

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The Governor presented a telegram dated November 22nd from the Chairman of the Federal Reserve Bank of Dallas, advising that an agreement has been reached with Mr. J. P. Williams of Mineral Wells, Tex. for a hearing on December 12th of complaints advanced by him and his associates regarding the administration of the Federal Reserve Bank of Dallas, and requesting approval by the Board of the action of the directors of the Dallas bank in voting to pay traveling expenses of those attending the hearing and the expense of a reporter to take down testimony.

Discussion then ensued during which some members of the Board expressed the opinion that the expense which the Dallas directors have voted to absorb in the way of traveling expense is not one properly chargeable to the Federal Reserve bank. Other members stated that they were reluctant to approve the action of the Dallas directors without some estimate as to the probable amount involved.

Upon motion, the Governor was requested to communicate with the Chairman of the Dallas bank as to the probable expense which would be incurred by that bank should the action of the directors be approved by the Board.

The Governor then made an oral report as to the amount of the Treasury overdraft since the November 15th financing. He stated that in the face of a small estimate the overdraft on November 17th reached a peak of \$229,500,000, but has been reduced and he understands is expected to be cleaned up tonight.

The Governor presented letter dated November 23rd from the Chairman of the Open Market Investment Committee, advising that since his letter to the Board of November 15th there has been no change in the Open Market Investment Account which amounts to \$415,824,000. In his letter, the

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Chairman advised that the total of recent exports and earmarkings of gold amounts to \$101,500,000 against which offsetting purchases of securities for System Account have not been made beyond \$40,000,000.

Noted and ordered circulated.

REPORTS OF STANDING COMMITTEES:

- Dated, November 21st, 23rd, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.
- Dated, November 22nd, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Recommendations approved.
- Dated, November 16th, Recommending action on application for admission of a state bank, 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, November 21st, Recommending approval of the application of Mr. E. J. Nolan for permission to serve at the same time as director and officer of the Merchants National Trust and Savings Bank, Los Angeles, Cal., and as director of the First National Bank, Beverly Hills, Cal.
Recommendation approved.
- Dated, November 21st, Recommending approval of the application of Mr. C. R. Bell for permission to serve at the same time as director and officer of the Merchants National Trust and Savings Bank, Los Angeles, Cal. and as director of the First National Bank, Beverly Hills, Cal.
Recommendation approved.
- Dated, November 21st, Recommending approval of the application of Mr. Frank Buttram for permission to serve at the same time as director of the Seaboard National Bank, Los Angeles, Cal. and as director of the Security National Bank, Oklahoma City, Okla.
Recommendation approved.
- Dated, November 21st, Recommending approval of the application of Mr. W. R. Ramsey for permission to serve at the same time as director of the Seaboard National Bank, Los Angeles, Cal. and as director of the Security National Bank, Oklahoma City, Okla.
Recommendation approved.

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, November 21st, Recommending approval of the application of Mr. Theodore F. Merseles for permission to serve at the same time as director of the Continental and Commercial National Bank, Chicago, Ill. and as director of the Seaboard National Bank, New York, N. Y.

Recommendation approved.

Dated, November 21st, Recommending approval of the application of Mr. Harry T. Hall for permission to serve at the same time as director and officer of the Bronx National Bank, New York, N. Y., as director and officer of the Bronx Borough Bank, New York, N. Y. and as officer of the Bank of the Manhattan Company, New York, N. Y.

Recommendation approved.

Dated, November 21st, Recommending approval of the application of Mr. Clarence R. Chaney for permission to serve at the same time as Assistant Cashier of the Northwestern National Bank, Minneapolis, Minn., as director of the Third Northwestern National Bank, Minneapolis, Minn. and as director of the Fourth Northwestern National Bank, Minneapolis, Minn.

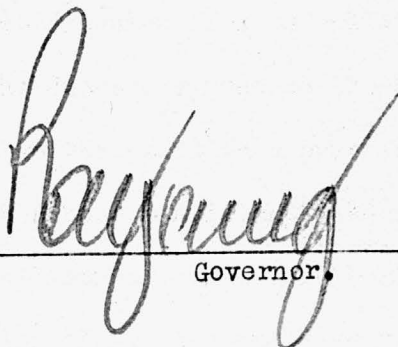
Recommendation approved.

Dated, November 22nd, Recommending approval of the application of Mr. John C. Traphagen for permission to serve at the same time as Vice President of the Seaboard National Bank, New York, N. Y., as director of the Nyack National Bank, Nyack, N. Y., and as director of the Citizens National Bank and Trust Company, Englewood, N. J.

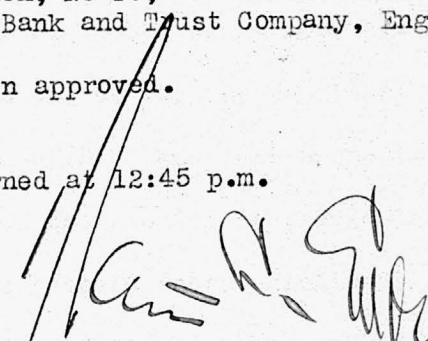
Recommendation approved.

The meeting adjourned at 12:45 p.m.

Approved:



Governor.



Secretary.