

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, December 20, 1927 at 11:15 a.m.

PRESENT: Vice Governor Platt
Mr. Hamlin
Mr. Miller
Mr. James
Mr. McIntosh
Mr. Eddy, Secretary
Mr. McClelland, Asst. Secretary

The minutes of the meeting of the Federal Reserve Board held on December 17th were read and approved.

Memorandum dated December 16th from the Chief Examiner, recommending that Assistant Examiners R. H. Brett and L. A. Siems be designated as Examiners, effective January 1, 1928.

Approved.

The Secretary then presented an Executive Order dated December 16, 1927 that the several executive departments and independent establishments in the District of Columbia be closed on Saturday, December 24, 1927 and that all clerks and other employees in the Federal service in the District of Columbia, except those who may for special public reasons be excepted from the provisions of the order, or those whose absence from duty would be inconsistent with the provisions of existing law, be excused from duty on that day.

Noted, and the Vice Governor authorized to arrange for whatever service may be necessary on the part of the Board's staff due to the operations of the Federal Reserve banks on the day in question.

Memorandum from Counsel dated December 15th, with reference to letter dated December 12th from the Chairman of the Board of the National Bank of Commerce in New York, requesting permission under the provisions

12/20/27

-2-

of Section 25 (a) of the Federal Reserve Act for Mr. George E. Roosevelt to serve at the same time as a director of the National Bank of Commerce and as director of the French-American Banking Corporation of New York City, a part of the capital stock of which is owned by the National Bank of Commerce; Counsel stating that he knows of no legal reason why the Board should not grant the request.

Approved.

Draft of letter prepared by Counsel and approved by the Law Committee, replying to letters dated December 14th from the Export Manager of the First Federal Foreign Investment Trust with reference to the Corporation's contemplated activities in the Argentine, involving the establishment of a branch in that country or the organization of a subsidiary in this country to maintain a branch in the Argentine.

Upon motion, the proposed reply was approved.

Telegram dated December 16th from the Chairman of the Federal Reserve Bank of Chicago, advising that the board of directors at a meeting on that date made no change in the bank's existing schedule of rates of discount and purchase.

Without objection, noted with approval.

Memorandum from the Fiscal Agent dated December 20th, recommending that the Board levy against the Federal Reserve banks an assessment of eight hundred and twenty-two ten thousandths of one percent (.000822) of the total paid-in capital stock and surplus of the Federal Reserve banks as of the close of business December 31, 1927, to meet the estimated expenses of the Board during the first half of the year 1928.

12/20/27

-3-

"WHEREAS, under Section 10 of the act approved December 23, 1913, and known as the Federal Reserve Act, the Federal Reserve Board is empowered to levy semi-annually upon the Federal reserve banks in proportion to their capital stock and surplus an assessment sufficient to pay its estimated expenses, including the salaries of its members, assistants, attorneys, experts and employees for the half-year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half-year; and

WHEREAS, it appears from estimates submitted and considered that it is necessary that a fund equal to eight hundred twenty-two ten thousandths of one per cent of the total paid-in capital stock and surplus of the Federal reserve banks be created for the purpose hereinbefore described, exclusive of the cost of engraving and printing of Federal reserve notes; Now, therefore,

BE IT RESOLVED, That pursuant to the authority vested in it by law, the Federal Reserve Board hereby levies an assessment upon the several Federal reserve banks of an amount equal to eight hundred twenty-two ten thousandths of one per cent of the total paid-in capital and surplus of such banks as of December 31, 1927, and the Fiscal Agent of the Board is hereby authorized to collect from said banks such assessment and execute, in the name of the Board, receipts for payments made. Such assessments will be collected in two installments of one-half each; the first installment to be paid on January 1, 1928, and the second half on March 1, 1928."

Draft of reply prepared by the Secretary to letter dated October 21st from the Assistant Secretary of the Treasury, requesting an expression of the Board's views as to the advisability of eliminating from the new Federal Reserve notes (reduced size) the legend setting forth the rights of the holder and in lieu thereof making reference to the provisions of the law where said rights are fully set forth, and also the advisability of eliminating the letter from the "seal" of the issuing bank, in order that the District number may stand out more prominently in the seal which will have to be reduced in size; the proposed reply stating that there appears to be no practical reason to object to the proposals and that

12/20/27

-4-

the Board's Counsel has advised that there is no objection from a legal standpoint.

Upon motion, the proposed reply was approved.

REPORTS OF STANDING COMMITTEES:

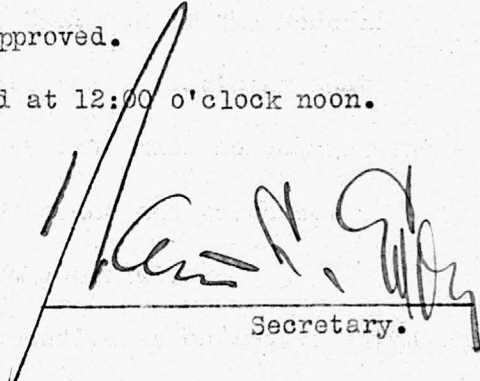
Dated, December 19th, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date.

Recommendations approved.

Dated, December 16th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

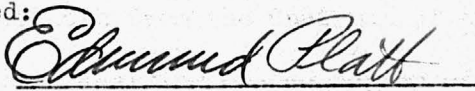
Recommendations approved.

The meeting adjourned at 12:00 o'clock noon.



Secretary.

Approved:


Vice-Governor.