

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, June 13th, at 11:00 a.m.

PRESENT: Governor Crissinger
 Mr. Platt
 Mr. Hamlin
 Mr. Miller
 Mr. James
 Mr. Cunningham
 Mr. Dawes
 Mr. Hoxton, Secretary

The minutes of the meeting of the Federal Reserve Board held on June 12th were read and on motion approved.

The Governor stated that had he been present at the meeting yesterday he would have voted against advising the Attorney General of Mr. M. C. Elliott's request to file a brief.

Draft of letter prepared by the Chief Examiner, dated June 12th, and addressed to the Chairman of the Federal Reserve Bank of Kansas City, requesting certain information with reference to an account carried in the name of A. G. Suhr, Trustee, said account representing the disposition of funds accruing from notarial fees and referred to in the Report of Examination of the Federal Reserve Bank of Kansas City, as of the close of business April 7th, 1923.

Approved, as amended.

Letter dated June 1st, from the Federal Reserve Agent at San Francisco, replying to the Board's letter of May 24th, and giving further information with respect to the application of the Bank of Italy to establish a branch de novo at Yuba City, California.

After full discussion, Mr. Miller moved that the Board reconsider its action taken on December 26, 1922, and reaffirmed on January 17, 1923, whereby the application of the Bank of Italy aforesaid was disapproved.

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Mr. Miller's motion being put by the chair was lost, the roll being called, the Members voted as follows:

Governor Crissinger, "no"
 Mr. James, "no"
 Mr. Cunningham, "no"
 Mr. Dawes, "no"
 Mr. Platt, "aye"
 Mr. Hamlin, "aye"
 Mr. Miller, "aye"

Letter dated June 1st, from Senator T. H. Caraway urging that the Federal Reserve Board authorize the Federal Reserve Bank of St. Louis to begin the construction of a branch bank building at Little Rock, Arkansas.

After discussion, Mr. James moved that it be resolved by the Federal Reserve Board that under existing conditions an exception should be made to the policy of the Federal Reserve Board adopted at the meeting of March 19, 1923, with respect to branch bank building operations, and that the Federal Reserve Bank of St. Louis be authorized to construct the proposed building for the Little Rock Branch at a total cost, including land, vaults, building, fixtures, furniture, architect's fees, etc., not to exceed \$400,000.

Mr. Platt moved to lay Mr. James' motion on the table.

Mr. Platt's motion being put by the chair was carried, the roll being called, the Members voted as follows:

Governor Crissinger, "aye"
 Mr. Platt, "aye"
 Mr. Miller, "aye"
 Mr. Cunningham, "aye"
 Mr. Hamlin, "no"
 Mr. James, "no"
 Mr. Dawes, "no"

Mr. Hamlin then moved with respect to the Salt Lake City branch the same resolution presented by Mr. James above, with respect to the Little Rock Branch.

Mr. Platt moved to lay Mr. Hamlin's motion on the table.

Mr. Platt's motion being put by the chair was carried, the roll being called, the Members voted as follows:

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- Governor Crissinger, "aye"
- Mr. Platt, "aye"
- Mr. Miller, "aye"
- Mr. Cunningham, "aye"
- Mr. Dawes, "aye"
- Mr. Hamlin, "no"
- Mr. James, "no"

Letter dated June 8th, addressed by the Governor of the Board to the Under-secretary of the Treasury, in reply to Mr. Gilbert's letter of June 7th, with reference to the suggested appropriation of \$2500 by the Federal Reserve Bank of Boston for the operating expenses of the Treasury Savings Sales Organization in Boston.

Referred to the Law Committee.

Telegram dated June 12th, from the Governor of the Federal Reserve Bank of Richmond, advising the Federal Reserve Board of the notification of all banks of the Fifth District and other Federal Reserve banks that until further notice the Federal Reserve Bank of Richmond will continue to receive for collection as heretofore, checks on those non-member banks in North Carolina which continue to remit at par.

Noted.

Letter dated June 6th, from the Chairman of the Federal Reserve Bank of San Francisco, transmitting a copy of a letter dated May 25th, from the Pacific Southwest Trust and Savings Bank of Los Angeles, stating that said bank has amended its By-laws so as to eliminate all distinctions as to various classes of time deposits.

Noted.

Mr. Miller moved that beginning July 1st, 1923, that the Division of Analysis and Research and the Division of Statistics be consolidated under the

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name of the Division of Research and Statistics with Mr. W. W. Stewart as Director of the consolidated division and with the understanding that the present Statistician and Associate Statistician shall retain their titles, and that Mr. Stewart shall be advised that he is to conduct the consolidated Division at an approximate cost of \$100,000 per annum.

Carried.

Mr. Hamlin submitted to the Board the following telegram to Senator Carter Glass which was approved:

"Replying your wire June 12, Board has not seen official copies of Court's opinions and before determining new policy Board must study such opinions carefully and obtain advice of counsel. Atlanta decision affirms right of Federal reserve banks to collect for other Federal reserve banks, for members, and for affiliated non-members, checks on any bank within their respective districts, if payable on presentation and can in fact be collected consistently with legal rights of drawee and without paying exchange. Court said that, within these limits, Federal reserve banks have ordinarily the same right to present checks to drawee bank for payment over counter as any other bank would have. Richmond decision declares constitutional a State statute authorizing State banks to charge exchange on remittances and giving them option to pay checks presented over counter by or through Federal reserve bank, post office, express company or their agents, with exchange draft on reserve depositories instead of cash. Court said that neither Federal Reserve Board nor Federal reserve banks are required by the Federal Reserve Act to establish universal system of par clearance and that Federal reserve banks are not required to collect checks drawn on non-member banks which decline to remit at par. Board might instruct Federal reserve banks to cease handling checks on such banks, or it might permit them to continue to collect checks on such banks by presentation over counter in any States which have no statute like that in North Carolina. Board has not decided what course to pursue. Governor Crissinger and Miller say decision is a body blow at Federal Reserve System. Platt and I do not concur in this. When can I see you. "

Memorandum dated June 12th, recommending that the Board rescind its action taken on May 16, 1923 in directing that Mrs. Josephine M. Wilmarth,

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Clerk-Typist in the office of Counsel, be dropped from the rolls, effective June 15th, and that the Board accept the resignation of Mrs. Wilmarth, effective at the close of business June 15, 1923.

Upon motion, the Board's action on May 16th, with respect to this matter was rescinded and the resignation of Mrs. Wilmarth was accepted.

Memorandum dated June 12th, from the Director of the Division of Analysis and Research, with reference to a leave of absence for Miss Dorothy Davis, employed in that Division.

Approved.

Memorandum dated June 11th, from the Director of the Division of Analysis and Research, on the subject of the employment of temporary Research Assistants during the summer at a total cost of \$600.

Approved.

Memorandum dated June 13th, from General Counsel requesting authority to purchase from the public printer fifty copies of the official print of the opinion filed by the Supreme Court on Monday, last, in each of the Par Clearance cases.

Approved.

Letter dated June 2nd, from the Comptroller of the Currency, requesting the Board's approval of an increase in the salary of National Bank Examiner Norman D. Vaughan, from \$3500 to \$4200 per annum.

Approved.

Mr. Platt advised the Board that he had authorized for his Secretary,

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Mr. J. L. Durland, an increase in salary from \$2700 to \$2800 per annum, effective June 1st, said increase being made in accordance with the practice of the Board Members in allowing to their Secretaries an increase of \$100 for each year's service up to an annual salary of \$3,000.

The meeting adjourned at 1:10 P.M.

W. W. Houston
Secretary.

Approved:

Whising
Governor.