

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

- PRESENT: Governor Crissinger
- Mr. Hamlin
- Mr. Miller
- Mr. James
- Mr. Cunningham
- Mr. Dawes
- Mr. Eddy, Assistant Secretary

The minutes of the meeting of the Federal Reserve Board held on July 10th were read and approved.

Letter dated July 10th, from the President of the Federal Advisory Council, requesting that there be furnished to him for distribution to the members of the Council, copies of the new regulations, the resolution of the Board providing for the establishment of Cuban agencies of the Federal Reserve banks of Boston and Atlanta, and a copy of the Board's reply to the First Federal Foreign Banking Association for permission to engage in the business of extending credits and making loans in foreign countries and issuing debentures, collateral trust notes or bonds against the securities represented by such loans, or reselling such securities with the Corporation's endorsement or guarantee while at the same time to continue to exercise the power to accept drafts and bills of exchange.

Approved.

Letter dated July 9th, from the First National Bank of Bellevue, Iowa, calling attention to the form of advertisement of membership in the Federal Reserve System being used by the Bellevue State Bank of that city.

Referred to Counsel.

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Letter dated July 10th, from the Comptroller of the Currency, enclosing a communication addressed to him by the Chief National Bank Examiner of the Second Federal Reserve District, advising that he has been informed that the Manager of the Branch Federal Reserve Bank at Buffalo has been showing copies of Bank Examiners' reports to the Buffalo Clearing House Association.

Referred to the Governor.

Mr. James, Chairman of the Committee on Examinations, reported unfavorably on the request contained in Mr. M. C. Elliott's letter dated July 6th., that the writer be furnished with a copy of the revised report of the Federal Reserve Agent at San Francisco on the subject of the application of the Bank of Italy to establish a branch at Yuba City.

Dr. Miller moved that the Secretary of the Board be instructed to reply to Mr. Elliott's communication, using the following phraseology:

"Receipt is acknowledged of your letter of the 6th instant, and you are advised that for administrative reasons the Board at its meeting this morning voted that it could not grant the request contained in your letter referred to, for a copy of the report received by the Board from the Federal Reserve Bank of San Francisco in the matter of the application of the Bank of Italy to establish a branch at Yuba City, the report in question being in the nature of a confidential report from the Bank to the Board."

Before vote was taken on Dr. Miller's motion, Mr. Hamlin offered a substitute motion as follows:

"Receipt is acknowledged of your letter of July 6th, and you are advised that it is against the policy of the Federal Reserve Board to give out copies of the reports of Federal Reserve Agents, but in this particular case, Mr. McAdoo having been informed of the contents of the first report of the Agent, your request is complied with."

After further discussion, the substitute motion was put by the chair and lost by the following vote:

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

Vote was then taken on the motion made by Mr. Miller, which was carried; the Members voting as follows:

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

The Governor submitted a letter from the Federal Reserve Agent at Philadelphia, requesting a conference with the Governor for the purpose of further discussion of methods by which the Philadelphia Bank will undertake to conduct credit investigations of member state banks in accordance with the recent ruling of the Board in this matter.

Referred to the Committee on Examinations.

Dr. Miller requested an expression of the Board's opinion as to the advisability of the Committee on Economy & Efficiency undertaking an investigation of the costs of organization and operation of the Branch Federal Reserve banks.

On motion, the Board unanimously voted that the Committee on Economy and Efficiency be instructed to include in its investigations an investigation and report of the cost of organization and operation of each of the Branch Federal Reserve Banks.

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Opinion of Counsel, dated July 9, 1923, as to the right of the First National Bank of Hopkinsville, Ky., to enter into a contract, in connection with certain trust funds taken over by it, in form submitted by Deputy Comptroller of the Currency Fowler, in his memorandum to the Board of June 29th.

Ordered that copy of opinion be sent to the Deputy Comptroller of the Currency for his information.

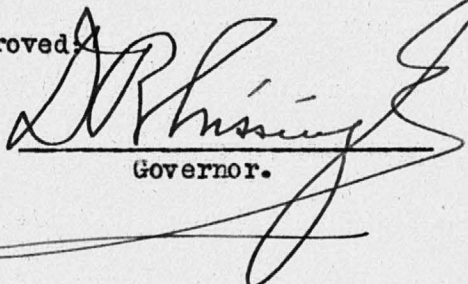
REPORTS OF COMMITTEE NO. 1

Dated July 6th, Recommending changes in stock at Federal Reserve Banks, 9th, as set forth in the Auxiliary Minute Book of this date.  
Approved.

The meeting adjourned at 11:55 A.M.

  
Assistant Secretary

Approved

  
Governor.