A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, July 18th, at 11:00 a.m.

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

Present also by invitation -

Mr. W. G. McAdoo
Mr. N. C. Elliott - representing the Bank of Italy.

Letter dated June 12th from the Federal Reserve Agent, San Francisco, transmitting the application of the Bank of Italy for permission of the Board to the Stockholders' Auxiliary Corporation of that Bank to proceed with its negotiations for the purchase of the American Savings Bank and the Golden State Bank of Long Beach, California, it being noted that if the permission is granted, it is the intention to convert both of these institutions in due course into branches of the Bank of Italy.

Telegram dated July 16th from the Federal Reserve Agent at San Francisco, advising that he has received the following telegram from Adolph B. Rosenfield, Farmers & Merchants Bank Building, Long Beach, California:

"As director Golden State Bank, Long Beach, I wish to be heard before approval is given to stock sale by this bank to the Stockholders' Auxiliary Corporation".

Mr. Perrin's telegram further stated that he inquired of Mr. Rosenfield whether he desires a hearing in San Francisco or Washington.

Telegram dated July 18th from Mr. J. F. Johnson, Superintendent of Banks in the State of California, as follows:

"Have granted permit to Bank of Italy to take over American Savings Bank and Golden State Bank of Long Beach and convert them into branches. Urge similar and prompt action by Federal Reserve Board as I consider such conversion in the public interest and safety".
After discussion, the Secretary was directed to transmit the following telegram to Mr. Perrin over the signature of Governor Crissinger:

"Your wire July 16th. Find out at earliest possible moment the nature of Rosenfield's objection, whether he is objecting to sale of stock or to the establishment of the branches by Bank of Italy. Also if after getting above information whether your recommendation remains unchanged."

Mr. McCadoo urged the Board to ignore Mr. Rosenfield's request for a hearing, and not, on this account, to delay action on the application of the Bank of Italy.

Mr. McCadoo then protested against the action of the Board taken on the 11th of July, whereby the Board, for reasons stated in the minutes of that meeting, declined to accede to the request in Mr. M. C. Elliott's letter of July 6th, that he 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, California.

Mr. McCadoo and Mr. Elliott then withdrew from the room.

Upon invitation, Mr. Frank Hummler, Vice President of the First National Bank, Scranton, Penna. and Mr. David Barry, President of the First National Bank of Johnstown, Penna. entered the room, and submitted to the Board certain difficulties experienced by member banks in Scranton and Johnstown in the matter of an adequate and timely currency supply from the Federal Reserve Bank of Philadelphia, in view of the distance from Philadelphia of the two cities named and in view of heavy pay-roll requirements which must habitually be met by the member banks in those cities.

Mr. Hummler suggested a method by which the difficulties could be overcome without violation of the Law and without violation of the Regulations of the Federal Reserve Board, and he was requested to present his views in writing to the Federal Reserve Bank of Philadelphia for ultimate transmittal to the Federal Reserve Board.
Matter referred to the Law Committee at the meeting of July 17th; namely, telegram of July 16th from the Federal Reserve Agent at San Francisco, requesting the Board to issue Regulations to cover the discount by Federal Reserve Banks of the paper of Intermediate Credit Banks.

The Law Committee reported a draft of telegram dated July 16th, addressed to Mr. Ferrin, which was approved, and which was as follows:

"Your wire July 16 re discounts for Federal Intermediate Credit Banks. This subject covered in Board’s new Regulation A, Section VII(d). Supply of new regulations being forwarded today. Section 13(a) generally describes cooperative marketing associations as composed of producers of agricultural products. Board deems it inadvisable to make comprehensive definition until situation has further developed. Reserve bank should pass upon facts in each case and determine if particular organization is cooperative marketing association. In case of doubt submit full details and Board will rule on specific cases."

REPORTS OF COMMITTEE NO. 1

Dated July 17th Recommending changes in stock at Federal Reserve banks, as set forth in the Auxiliary Minute Book of this date. Approved.

Dated July 17th Recommending action on application for admission of state bank, subject to the conditions stated in the individual report attached to the application, as set forth in the Auxiliary Minute Book of this date. Approved.

Dated July 17th Recommending approval of the application of Mr. Alex Dunbar to serve at the same time as Vice President and Cashier of the Bank of Pittsburgh, N.A., Pittsburgh, Pa., as director of the Ohio-Pennsylvania Joint Stock Land Bank of Cleveland, Ohio, and as Vice President and director of the Highland National Bank, Pittsburgh, Pa. Approved.

At 1:00 o’clock a recess was taken until this afternoon.