

A meeting of the Federal Reserve Board was held in the Office of the Board on Tuesday, July 24th at 10:50 a.m.

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

Present also upon invitation -

Mr. Claiborne - of New Orleans  
Mr. Vaughan - of Virginia, representing the Committee of  
Five of the American Bankers' Association  
Mr. Adams - of Atlanta, Ga. representing the Bankers'  
Protective Association.

Messrs. Claiborne and Adams presented to the Board their views with respect to the recent amendment to Regulation "J", expressing their belief that the practical effect of subsection (a) would work hardship upon member banks of the Federal Reserve System, as well as upon non-member banks which refuse to remit at par. Mr. Claiborne stated that he believed in the efficacy of the Federal Reserve System and desired to make no complaint against it except in the matter of the clearing and collection policy which he regarded as unwarranted either by the law or by the decision of the United States Supreme Court in the Atlanta and Richmond par clearance cases.

After full discussion, Messrs. Claiborne, Adams and Vaughan were invited by the Board to prepare and submit a complete revision of Regulation "J" drawn with a view to insuring an administration of the Federal Reserve Clearing and Collection System along lines which, in their judgment, will be fair to member banks and to non-member banks, and to the customers of such banks.

This, the gentlemen referred to, agreed to do and thereupon withdrew from the room.

At 1:00 o'clock a recess was taken until 3:00 o'clock.

At 3:00 o'clock the Board reassembled in the Board Room, all Members being present who were present at the morning session, except Mr. Dawes.

The minutes of the meetings of July 18th and 19th were read and approved.

Mr. Cunningham called attention to the action of the Board taken on July 18th, whereby the work upon the pamphlet entitled "Agricultural Credits under the Federal Reserve Act" was ordered stopped, pending the publication of the same matter in the Federal Reserve Bulletin and until the Board shall, after the matter has been published in the Bulletin, determine whether it desires further distribution in pamphlet form. Mr. Cunningham stated that the pamphlet had been ordered printed and distributed by the Board after the unanimous approval of the Committee on Agricultural Credit Conditions and after checking by the Law Committee and he did not think that this action should have been reversed during the absence of two of the Members of the Committee on Agricultural Credit Conditions.

He, therefore, moved reconsideration of the action of July 18th above referred to.

Mr. Cunningham's motion being put by the chair was carried.

Mr. James moved that the pamphlet be at once completed and distribution made as originally contemplated.

Mr. James' motion being put by the chair was carried.

Letter dated July 21st from the Federal Reserve Agent at Dallas, advising of heavy demands for credit, present and prospective, upon the Federal Reserve Bank of Dallas by its member banks, and suggesting that the Reserve Bank may be forced to consider raising its discount rate or rediscounting with other Federal Reserve banks.

The Secretary was instructed to advise Mr. Talley that the Board desires to know what creates the present demand for credit in that District and for what purposes the member banks are using the funds secured from the Federal Reserve Bank.

Telegram dated July 23rd from the Federal Reserve Agent at San Francisco suggesting that the Board's Regulation concerning discounts for Federal Intermediate Credit Banks should specify the amount of paper Federal Reserve banks may accept bearing signature or endorsement of any one borrower.

Referred to the Law Committee.

The Governor stated that the next thing in order would be consideration of the problem of quarters in Havana, Cuba for the Agencies of the Federal Reserve Banks of Atlanta and Boston.

After full discussion and examination of the correspondence on this subject, the following telegrams were ordered despatched:

"Harding - Boston

Board has carefully considered the matter of location of Cuban agencies. It seems it would be much better to have office established not on the ground floor and not in any building where there is or is to be another bank. You and the Federal Reserve Agent are directed to come before the Board Friday morning, July 27th, at ten-thirty o'clock, at which time representatives of Atlanta will be present for the purpose of settling the location of the agencies. Meantime the Board looks to you to take no action with regard to the present lease on which you have an option."

"Wellborn - Atlanta

Board has carefully considered the matter of location of Cuban agencies and desires a clearer understanding of the entire situation. Therefore, you, Chairman McCord, Mr. McCrary and Mr. Adelson are directed to come before the Board Friday Morning, July 27th, at ten-thirty o'clock, at which time representatives of Boston will be present for the purpose of settling the location of the agencies."

Letter dated July 20th from the Chairman of the Federal Reserve Bank of New York, transmitting cable advice of the opening of the Colombian Federal Reserve Bank.

Noted.



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Memorandum dated July 21st from the Secretary of the Board advising that the Federal Reserve Bank of Dallas had appropriated \$2,000 for educational and welfare purposes for the last six months of 1923 and that such action requires the approval of the Federal Reserve Board.

Approved.

Letter dated July 18th from the Under Secretary of the Treasury with reference to the Federal Reserve banks acting as Fiscal Agents for Intermediate Credit Banks and expressing Mr. Gilbert's understanding that should the Federal Reserve banks agree to perform this service, the Intermediate Credit Banks would hope that the Federal Reserve banks would render this service without charge, except their necessary actual expenses.

The Secretary was instructed to transmit a copy of Mr. Gilbert's letter to the Federal Reserve Agent at New York, with a request for his views as to the nature and probable amount of the expenses referred to in Mr. Gilbert's letter.

Letter dated July 20th from the Under Secretary of the Treasury with reference to the removal of all restrictions against payment of silver.

Copies ordered transmitted to all Federal Reserve banks.

Letter dated July 20th from the Governor of the Federal Reserve Bank of Minneapolis, with reference to the discount of non-member bank paper by the First National Bank of Brookings, S. D.

In view of the representations made in Governor Young's letter, it was upon motion determined to leave the matter to Governor Young's discretion, the discounting referred to to be completed by March 1, 1924.

Letter dated July 21st from the Chairman of the Federal Reserve Bank of New York, requesting approval of a six weeks leave of absence for Mr. Carl Snyder for reasons stated.

Approved.

Various correspondence from Federal Reserve banks making inquiries regarding the administration of Regulation "J".

Referred to the Committee on Clearings with power.

Letter dated July 23rd from the Federal Reserve Agent at Philadelphia requesting authority to expend a sum not in excess of \$1800 for a Federal Reserve System exhibit to be set up at the next convention of the American Bankers' Association to be held at Atlantic City September 24th to 27th.

Approved. Governor Crissinger voting "no".

Memorandum dated July 24th from the Assistant Secretary of the Board requesting authority to transfer L. C. Comley, clerk in the Gold Settlement Division, salary \$2100, to the Examining force at the same salary, the transfer to be effective September 1, 1923. Also requesting authority to promote as of September 1, Mr. H. B. Stone to the position vacated by Mr. Comley and to increase Mr. Stone's salary from \$1,665 to \$1,800. Also requesting authority to fill the vacancy thus created in the Board's clerical force by employing a new clerk at a salary not to exceed \$1500 per annum.

Approved.

Letter dated July 19th from the Comptroller of the Currency requesting approval of the following increases in salaries for national bank examiners assigned to the Tenth Federal Reserve District:

- Archie S. Allsup from \$2,700 to \$3,300
- F. Raymond Peterson from \$2,700 to \$3,000

Approved.

Letter dated July 20th from the Comptroller of the Currency, requesting approval of an increase in salary from \$3,000 to \$3,300 per annum for National Bank Examiner John W. Snapp.

Approved.

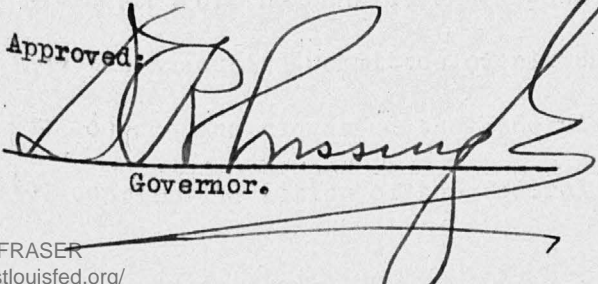
With reference to the Conference this morning with Messrs. Claiborne, Adams and Vaughan, Mr. Cunningham stated his view that a stenographic record should be made of all such conferences.

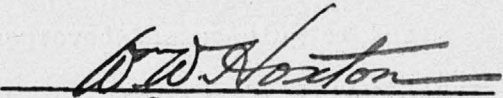
Thereupon, upon motion, the Secretary was instructed to attach to his office a competent stenographer and to use such stenographer for the purpose of keeping a stenographic record of all important conferences and for the purpose of taking down stenographically all motions made at Board Meetings.

REPORTS OF COMMITTEE NO. 1

- Dated July 20th 21st 23rd 24th Recommending action on applications for changes in stock as set forth in the Auxiliary Minute Book of this date. Approved.
- Dated July 18th 21st 23rd Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date. Approved.
- Dated July 20th Recommending approval of the application of Mr. John Zahn to serve at the same time as President of the Carlstadt National Bank, Carlstadt, N. J., and as director of the Peoples Bank & Trust Company, Passaic, N. J. Approved.
- Dated July 20th Recommending approval of the application of Mr. Samuel M. Curwen to serve at the same time as director of the Central National Bank, and as director of the Philadelphia Trust Company, and as director of the Fidelity Trust Company, all at Philadelphia, Pa. Approved.
- Dated July 10th Recommending refusal of the application of Mr. John D. Spreckels to serve at the same time as director of the Anglo & London Paris National Bank, San Francisco, Calif., as director of the Union Trust Company, San Francisco, Calif., and as director of the First National Bank, San Diego, Calif.

The meeting adjourned at 5:10 p.m.

Approved:   
Governor.

  
Secretary.