

A meeting of the Federal Reserve Board was held in the office of the Board on Wednesday, July 25th, at 11:00 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on July 24th were read and on motion approved.

Letter dated July 23rd from the Chairman of the Federal Reserve Bank of Cleveland advising that the Central Trust Company of Cincinnati objects to agreeing to the condition set forth by the Board in the approval of that Institution's application for membership in the Federal Reserve System - "that except with the approval of the Federal Reserve Board, additional branches shall not be established". Mr. Wills expressed the hope that the Board can suggest some wording of the condition or in some manner assure the Central Trust Company that under given circumstances it may expect approval of an application to establish a branch.

The Secretary was instructed to advise Mr. Wills that the condition of membership imposed upon the Central Trust Company is one habitually imposed upon State Banks applying for membership and that the Board is unwilling in this case to make any special modification or qualification.

Letter dated July 24th from Mr. Case, Deputy Governor of the Federal Reserve Bank of New York, advising that in order to comply with cabled instructions of the Colombian Government to earmark gold for the Bank of the Republic of Colombia, the Federal Reserve Bank of New York has opened a custody account in the name of the Bank of the Republic of Colombia. Mr. Case further advised that the Executive Committee of his Bank had approved the opening of the new account and requested the Federal Reserve Board, if it sees no objection, to confirm the action of the Federal Reserve Bank of New York in this regard.

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The Secretary was instructed to advise Mr. Case that the Board interposes no objection to the action above stated.

Application dated June 25th of the Lowell Bank, an outlying bank in the City of St. Louis, Mo. for reduction in its reserve requirements from 10% of demand deposits and 3% of time deposits to 7% of demand deposits and 3% of time deposits, under the provisions of Section 19 of the Federal Reserve Act.

Approved, upon the affirmative vote of five Members of the Board.

The Governor, referring to action taken at the meeting yesterday, stated that it had been found desirable to postpone from July 27th to July 30th the conference with representatives from Atlanta and Boston in regard to quarters for the Cuban Agencies. The Governor further stated that from his telephone conversation with Governor Harding, he inferred that the latter would not be present at the conference.

Governor Crissinger was requested to transmit to Governor Harding, the following telegram:

"The Board considers it essential that you be present in person with Bullen at the conference on quarters for the Cuban Agencies to be held next Monday at 10:30 a.m."

Letter dated July 24th from the International Acceptance Bank of New York applying for modification or amendment of the agreement entered into with the Federal Reserve Board permitting the applicant to issue acceptances, the maturity not to exceed one year, to finance the importation or exportation of goods.

Referred to the Law Committee.

Draft of proposed circular submitted for docket by Mr. Miller, subject - "Uniformity of Policy in Statistical, Publication Work, etc".

Ordered docketed for the meeting of July 31st.

At 12:30 a recess was taken until 2:00 p.m.

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At 2:15 p.m. the Board reassembled, those Members being present who were present at the morning session, except Mr. Dawes.

Present also, upon invitation, Mr. Claiborne of New Orleans and Mr. Adams of Atlanta, Ga.

In accordance with the agreement reached at the meeting yesterday, Messrs. Claiborne and Adams presented to the Board a proposed revision of Regulation "J", drawn in accordance with their views.

After full discussion, Messrs. Claiborne and Adams were assured that the Board would give consideration to their proposed revision of Regulation "J".

Thereupon, Messrs. Claiborne and Adams withdrew from the room.

Upon motion, the following telegram was ordered transmitted to the Governors of all Federal Reserve Banks over the signature of Governor Crissinger:

"The effective date of Regulation J has been postponed by the Board until further notice. Suspend for the present all activities with respect to its administration."

It was then determined that the plan proposed by Messrs. Claiborne and Adams should be submitted to the Advisory Committee of Federal Reserve Bank Governors and the Secretary was instructed to transmit to Messrs. Harding, Case, Norris, Fancher, Seay and McDougal, the Members of that Committee, the following telegram:

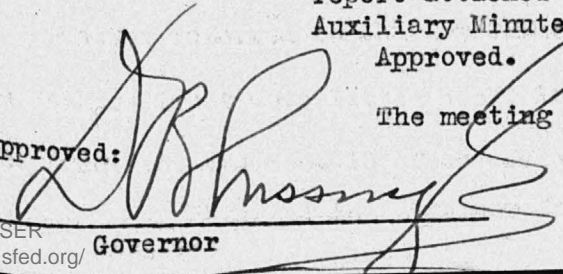
"The Board desires to meet the Advisory Committee of Federal Reserve Bank Governors next Wednesday, August 1st, at 10:30 in the Board Room in Washington. This wire is being sent to each member of the Committee, and Board desires all Members to be present".

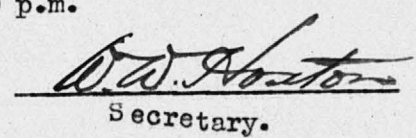
REPORT OF COMMITTEE NO. 1

Dated July 24, 1923. Recommending action on application for admission of state bank, subject to the condition stated in the individual report attached to the application, as set forth in the Auxiliary Minute Book of this date.

Approved.

The meeting adjourned at 4:00 p.m.

Approved: 
Governor


Secretary.