

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, October 3, 1923, at 11:20 a.m.

- PRESENT: Governor Crissinger
- Mr. Platt
- Mr. Hamlin
- Mr. James
- Mr. Cunningham
- Mr. Eddy, Executive Secretary

The minutes of the meeting of the Federal Reserve Board held on October 1st were read and approved.

Memorandum dated September 29, 1923, from the Comptroller of the Currency recommending approval of the application of the First National Bank of Edgeley, North Dakota, for permission to reduce its capital from \$85,000 to \$50,000.

Referred to the Committee on Examinations for consultation with the Comptroller.

Memorandum dated October 1, 1923, from the Director of the Division of Research and Statistics, transmitting the resignation of Mr. H. W. VanPelt, effective November 12, 1923.

Accepted.

Memorandum dated October 1, 1923, from the Director of the Division of Research and Statistics, recommending the appointment of Miss Helene Bauer as statistical clerk, effective October 1, 1923, at a salary of \$1440 per annum.

Approved.

The Governor submitted a telegram dated October 2, 1923, from the Federal Reserve Agent at San Francisco, transmitting the text of a telegram from Mr. Miller requesting to be advised whether the Board has any suggestions to make to him as to matters to be discussed or developed at a conference with respect to branch banking to be held on October 8th.

10/3/23

-2-

The Governor was requested to advise Mr. Miller that the members of the Board have no further suggestions to offer.

The Committee on Examinations reported on the matters referred to it at the meeting on October 1st, namely, a letter dated September 25th from the Federal Reserve Agent at San Francisco and a telegram dated September 28th, from Mr. Miller, both regarding the examination of the Bank of Italy begun by the State Banking Department on September 29th, the examination not to be made by simultaneous entrance into head office and all branches.

Upon motion of Mr. James, the Board approved the recommendation of the Committee that Mr. Perrin be advised that in view of the ruling of the Board in favor of simultaneous examinations, set forth in its letter X-3660, this examination can not be considered as sufficient and acceptable.

The Law Committee reported on the matter referred to it on September 26th, namely, a letter dated September 20th from the Governor of the Federal Reserve Bank of Philadelphia, relative to the establishment at Scranton, Pa., of a revolving fund of two million dollars; the purpose of the establishment of the fund being to facilitate the furnishing of currency to member banks located in Scranton and vicinity.

Mr. Hamlin, in behalf of the Committee, moved that Governor Morris be advised that the Board, without any formal ruling, for the present, at least, will interpose no objection to the proposed arrangement.

The Law Committee reported on the matter referred to it on September 13th, namely, a letter dated September 5th from the Assistant General Counsel

10/3/23

-3-

of the Federal Reserve Bank of New York, with regard to the employment, by the Federal Reserve banks, of Mr. James W. Carmalt as special counsel for the purpose of presenting to the Interstate Commerce Commission the matter of a revision of the present express rates on the transportation of money and securities.

Upon motion of Mr. Hamlin, it was voted to approve the appointment of Mr. Carmalt at a maximum fee of \$15,000.

Draft of letter dated October 3rd, addressed to the Federal Reserve Agent at Dallas, transmitting copy of a letter to the Board from the Vice President of the Public National Bank of Houston, Texas, on the subject of that institution's application for fiduciary powers and requesting the Federal Reserve Agent to furnish the Board with his recommendation and any further information he may have in the matter.

Upon motion of Mr. Hamlin, the letter to Mr. Talley was approved.

Mr. Hamlin submitted draft of a letter dated October 3rd, addressed to the Federal Reserve Agent at Atlanta, with respect to the counting of gold and lawful money held by its Havana Agency in its cash as part of the reserve of the Federal Reserve Bank of Atlanta.

Approved.

The Law Committee reported on the matter referred to it on September 27th, and submitted draft of a letter dated October 3rd, addressed to the Federal Reserve Agent at Dallas on the question of whether a Federal Reserve bank should continue to discount paper for a state member bank which has filed notice of its intention to withdraw from membership; said letter



10/3/23

-4-

stating that the matter is one to be determined by the Federal Reserve bank itself.

Approved.

Mr. Platt presented a letter dated September 29th, addressed to him by the Governor of the Federal Reserve Bank of Dallas with respect to the possibility of their purchasing in the open market a sufficient amount of short time government securities to enable them to maintain their earning assets at a proper figure, such purchases being agreed to by the members of the Open Market Investment Committee for the Federal Reserve System.

Upon motion, the Board voted to approve the purchase of short time government securities by the Federal Reserve Bank of Dallas, subject to a conference with officials of the Treasury.

The Committee on Branch Federal Reserve banks submitted a report on a letter dated September 26th, from the Chairman of the Federal Reserve Bank of St. Louis, advising of action by the Board of Directors of that bank in voting to expend approximately \$199,454.00 for an addition to the present Louisville branch building on property heretofore acquired, and for furniture and vault; said report recommending approval of the action of the Board of Directors of the Federal Reserve bank.

Upon motion, the Report of the Committee was accepted and the action of the St. Louis directors was approved.

Upon motion, of Mr. James, the following resolution was unanimously adopted:

"Whereas the office of General Secretary of the Federal Reserve Board is vacant as the result of the resignation of W. W. Hoxton, and

Whereas the duties of that office are being performed

10/3/23

-5-

577

"By Walter L. Eddy, Executive Secretary of the Federal Reserve Board,

BE IT RESOLVED that Walter L. Eddy be hereby appointed to the office of General Secretary and that in addition to performing all the duties of that office he continue to perform the duties of the office of Executive Secretary, assisted by an Assistant Secretary to be appointed at this time, and

BE IT FURTHER RESOLVED, that J. C. Noell, now employed by the Board as a Federal Reserve Bank Examiner, be appointed such Assistant Secretary, and

BE IT FURTHER RESOLVED, that the salary of Walter L. Eddy as General Secretary be fixed at the rate of \$10,000 per annum, that the salary of J. C. Noell as Assistant Secretary be fixed at the rate of \$4500 (the same salary paid to him as Examiner), and that the salary of E. M. McClelland, Assistant to the General Secretary, be increased from \$2700 to \$3300 per annum; all effective as of October 1, 1923."

The Committee on Examinations reported upon the matter referred to it on October 1st, namely, a letter dated September 26th, from the Governor of the Federal Reserve Bank of Minneapolis, recommending approval of the application of the Security Savings Bank of Rapid City, South Dakota, for permission to rediscount with the Federal Reserve bank, the paper of five non-member banks listed, the report of the Committee recommending approval of the application, upon the understanding that all such paper will be eliminated by March 1, 1924, on the ground that three of the non-member banks are ineligible under the capital requirements and two would not be accepted because of their condition.

Approved.

REPORTS OF STANDING COMMITTEES:

Dated October 2nd, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.

Approved.

10/3/23

REPORTS OF STANDING COMMITTEES (Cont'd)

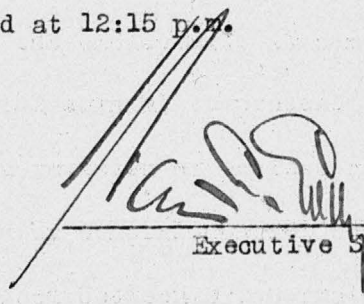
Dated September 25th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute book of this date.

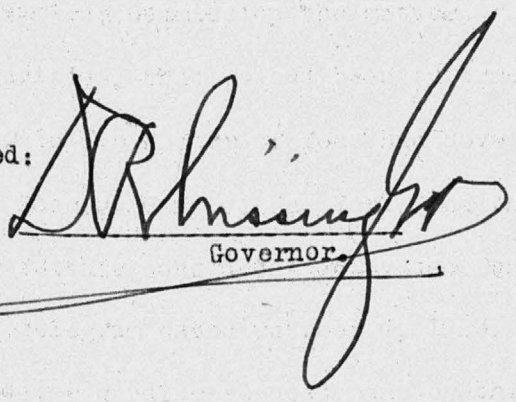
Approved.

Dated September 28th, Recommending that 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 books of this date.

Approved.

The meeting adjourned at 12:15 p.m.

  
Executive Secretary.

Approved:   
Governor.