

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, October 23, 1923, at 11:00 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on October 16th, were read and approved.

Upon motion, the Board approved bonds of Messrs. Charles F. Gettemy and S. G. Sargent, Assistant Federal Reserve Agents at the Federal Reserve Banks of Boston and San Francisco, respectively, in the sum of \$50,000 each.

Letter dated October 20th, from the Comptroller of the Currency, recommending a salary of \$2,400, for National Bank Examiner F. P. Brennan, assigned to the Tenth Federal Reserve District.

Approved.

Memorandum dated October 17th, from the Comptroller of the Currency recommending approval by the Federal Reserve Board of the application of the National Iron Bank of Falls Village, Connecticut, for permission to reduce its capital stock from \$100,000 to \$50,000.

Approved.

Letter dated October 11th, from the Chairman of the Federal Reserve Bank of Atlanta, transmitting application of the Albany Exchange National Bank, Albany, Georgia, for permission to accept up to 100% of its capital and surplus.

Referred to Committee on Examinations.

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Letter dated October 20th, from the President of the Federal Advisory Council, advising that the next meeting of the Council will be held in Washington on Monday, November 19th, and requesting to be advised of any topics the Board would like the Council to discuss at that time.

Referred to Executive Committee for preparation of a list of topics for discussion by Council.

Letter dated October 18th, from the Chairman of the Federal Reserve Bank of Richmond, with respect to the bonding of trust officers in national banks which have been granted fiduciary powers by the Federal Reserve Board.

Referred to the Law Committee.

Letter dated October 18th, from Mr. A. B. Trowbridge, Consulting Architect, with regard to the desirability of making public information with respect to the type of vault construction in use at the Federal Reserve banks.

Referred to the Governor with power.

Letter dated October 15th, from the Chairman of the Federal Reserve Bank of Chicago, commenting upon certain suggestions made by the Chairman of the Federal Reserve Bank of New York, in regard to the control of advertising matter used by state member banks.

Referred to Law Committee.

Letter dated October 18th, from the Governor of the Federal Reserve Bank of Boston, with respect to certain statements made before the

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Joint Congressional Committee of Inquiry on Membership in the Federal Reserve System by Mr. Alfred I. Aiken, of Boston, with respect to the alleged practice of certain member banks in the city of Boston in depositing with the Federal Reserve Bank at close of business each day their vault cash for the purpose of maintaining required reserves.

Referred to Counsel.

Letter dated October 17th, from the Governor of the Federal Reserve Bank of Boston, requesting approval by the Board of an expenditure by the Federal Reserve Bank of approximately \$3,600, to be used to defray transportation expenses only of representatives of member banks in the First Federal Reserve District attending a meeting to be held in Boston for the purpose of formulating a permanent organization of the member banks of that District.

Mr. Hamlin moved that the expenditure be approved as a contribution by the Federal Reserve Bank to the organization of member banks proposed, with the understanding that the approval of the contribution is not to be construed as a precedent under which the bank may make any further contributions to help defray the expenses of any future meeting or activities of the proposed organization. Carried, Mr. Miller voting "no".

Memorandum dated October 18th, from General Counsel, suggesting that there be published in the forthcoming issue of the Federal Reserve Bulletin a revision of the digest of all state laws relating to bank reserves which appeared in the Bulletin of October 1917.

Approved.

Memorandum dated October 10th, from General Counsel, on the subject of the surrender of Federal Reserve Bank stock upon reduction of member bank surplus, and suggesting a form of letter on the subject to be sent to all

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Federal Reserve Agents.

Ordered circulated.

Letter dated October 19th, from the Department of State, with respect to the proposed formulation of a standardized international code for the regulation of bills of exchange.

Referred to Mr. Miller for conference with the Secretary of the Treasury, and the Secretary of Commerce, to whom similar communications have been addressed.

Mr. Platt submitted a letter dated October 17th, addressed to him by the Chairman of the Federal Reserve Bank of St. Louis, advising that the Board room of the Bank of Commerce has been secured for the use of the Congressional Committee of Inquiry on Membership in the Federal Reserve System and suggesting the advisability of the Committee examining the Bank Relations men of the Federal Reserve Bank of St. Louis while in that city.

Referred to the Vice Governor with the request that he communicate with the Chairman of the Congressional Committee and advise him of the suggestion made.

Memorandum dated October 18th, from Counsel, submitting draft of a letter addressed to the Chairman of the National Shawmut Bank of Boston, in reply to his letter of October 8th, inquiring whether national banks acting under the terms of the Board's Regulation "G" are permitted to take participation in first mortgage loans which comply with all the requirements of the Regulation.

Upon motion, the Governor was requested to submit this matter personally to the Comptroller of the Currency.

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Mr. Hamlin, on behalf of the Law Committee, submitted a preliminary memorandum dated October 20th, from General Counsel, with respect to the decision of the Comptroller General, stated in his letter to the Board of October 8th, disallowing certain items in the account of the Board's Fiscal Agent.

Mr. Hamlin moved that the matter be referred back to the Law Committee and that Counsel be directed to prepare a detailed memorandum on the subject, upon receipt of which the Board will decide whether or not the questions raised therein should be formally submitted to the Comptroller General for a rehearing. Carried.

Mr. Cunningham submitted letters dated October 11th and October 17th, addressed to him by the Governor of the Federal Reserve Bank of Chicago, the former enclosing copies of letters received from member banks protesting against the discontinuance by Federal Reserve banks of their so-called non-cash collection services.

Ordered circulated and copies sent to the Chairmen of the Governors' Committee on Voluntary Services.

Mr. Miller reported briefly to the Board on the results of his recent visit to California, and his several conferences there with representatives of certain of the larger branch banking institutions and the State Department of Banking, and presented a letter dated October 8th, addressed to the Board by representatives of the Mercantile Trust Company, the Pacific Southwest Trust and Savings Bank, and the Security Trust and Savings Bank, submitting for the consideration of the Board, certain principles upon which should be based its policy with respect to the extension of branch banking in the state of California.

Ordered mimeographed and distributed among the members of the Board.

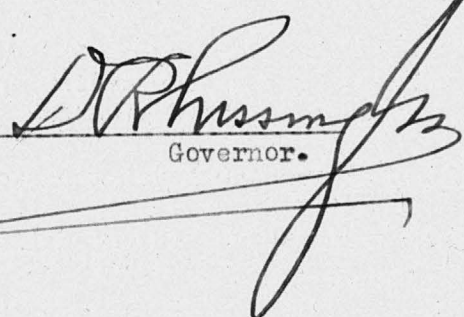
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REPORTS OF STANDING COMMITTEES:

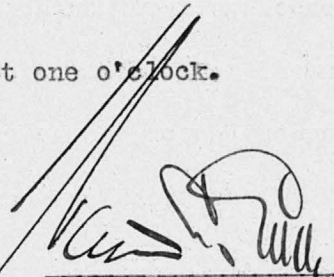
- Dated, October 17th, 18th, 22nd, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.
Approved.
- Dated, October 23rd, Recommending action on application for admission of state bank, subject to the conditions stated in the individual reports attached to the application, as set forth in the Auxiliary Minute Book of this date.
Approved.
- Dated, October 20th, Recommending approval of the application of Mr. William L. Adam to serve at the same time as director of the Agricultural National Bank of Pittsfield, and as director of the Housatonic National Bank of Stockbridge, both in Massachusetts.
Approved.

The meeting adjourned at one o'clock.

Approved:



 Governor.



 Secretary