

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, October 31st, at 11:10 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on October 30th were read and approved.

Report of Committee on Salaries and Expenditures recommending approval of the employment of Mr. George C. Dankwerth as Federal Reserve Bank Examiner at the Federal Reserve Bank of San Francisco, with salary at the rate of \$3600 per annum, as requested in a telegram from Mr. Perrin dated October 30th.

Approved.

Letter dated October 30th, from the Comptroller of the Currency, recommending approval of the application of the Utah State National Bank, Salt Lake City, Utah, for permission to reduce its capital stock from \$1,000,000 to \$500,000.

Approved.

Letter dated October 29th, from the Chairman of the Federal Reserve Bank of Atlanta, requesting that the Board reconsider its action, taken at the meeting on October 25th, in disapproving the application of the Albany Exchange National Bank, Albany, Georgia, for permission to accept up to 100% of its paid up and unimpaired capital and surplus, under the provisions of Section 13 of the Federal Reserve Act; said letter explaining that the

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bank in question has previously had experience in the acceptance business.

Upon motion of Mr. Hamlin, the Board voted to reconsider its former action and to grant permission to the Albany Exchange National Bank to accept up to 100% of its paid up and unimpaired capital and surplus.

Memorandum dated October 26th, from the Board's General Counsel requesting authority to purchase for the law library of the Counsel's office, one copy of "Jones' Legal Forms" (seventh edition).

Approved.

Memorandum dated October 24th, from Counsel with regard to the application of the International National Bank of Boston, Massachusetts, recently consolidated with the First National Bank of Boston, for permission, effective June 15, 1923, to exercise fiduciary powers and suggesting a form of letter to the Assistant Federal Reserve Agent at the Federal Reserve Bank of Boston, requesting that application for such authority be made to the Board by the First National Bank of Boston on behalf of the International National Bank.

Approved.

Letter dated October 26th, from the Governor of the Federal Reserve Bank of Boston, with respect to the assignment to the Chief National Bank Examiner and his staff, of rooms in the building of the Federal Reserve Bank of Boston and inquiring as to the nature of such tenancy and the form of lease to be executed.

Noted, with the understanding that the matter of the tenancy of National Bank Examiners in Federal Reserve Bank buildings will be brought up for discussion at the forthcoming conference of Governors.

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The Governor brought up the matter which was laid on the table at the meeting on October 25th, namely, the report of the Board's Committee on Branches, dated October 23, 1923, with regard to the study submitted by the Governor of the Federal Reserve Bank of San Francisco, covering the operation of the branches of the Federal Reserve Bank of San Francisco, operating costs thereof, etc; said report recommending that the study be returned to Governor Calkins with advice that it may be resubmitted to the Board at any time in support of any recommendations which may be made by the Directors of the Federal Reserve Bank of San Francisco, affecting the present status of any or all of the branches of that bank.

Upon motion, the report of the Committee on Branches was approved.

After discussion Mr. Miller moved that the Committee on Branches be directed to make a thorough investigation of the Federal Reserve branch bank situation with a view to reporting thereon and recommending to the Board the principles by which it should be guided in passing upon applications for the establishment of Federal Reserve Bank branches in future and in determining which of the existing branches have justified their establishment.

Carried.

The Governor brought up the matter which was laid on the table at the meeting on October 25th, namely, the report of the Committee on Branches, dated October 23rd, recommending that the Board approve of the directors of the Federal Reserve Bank of St. Louis proceeding to erect a building at Little Rock, Arkansas, to house the branch Federal Reserve bank there, in accordance with



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the terms of the Federal Reserve Act.

Mr. Platt moved the acceptance of the Committee's report.

Mr. Miller moved as a substitute that Mr. Platt's motion to accept the Committee's report be laid on the table pending the report of the Board's Committee on Branches on the matter referred to it this morning, namely, an investigation of the Federal Reserve branch bank situation.

Mr. Miller's substitute motion being put by the chair was lost, the members voting as follows:

Mr. Miller, "aye"  
Mr. Platt, "no"  
Mr. Hamlin, "no"  
Mr. James, "no"  
Mr. Cunningham, "no"  
Mr. Daves, "no"  
Governor Crissinger not voting.

Mr. Platt's motion to accept the report of the Committee on Branches being put by the chair was carried, the members voting as follows:

Mr. Platt, "aye"  
Mr. Hamlin, "aye"  
Mr. James, "aye"  
Mr. Cunningham, "aye"  
Mr. Daves, "aye"  
Governor Crissinger, "no"  
Mr. Miller, "no"

Mr. Platt moved the adoption of a resolution as follows:

"Resolved, that inasmuch as the Committee has found that the reasons which actuated the Board in passing its resolution of March 19th, by which all building not under contract halted, are no longer of primary importance the Federal Reserve Board hereby authorizes the directors of the Federal Reserve Bank of St. Louis to proceed with the erection of a branch bank building at Little Rock, in accordance with the terms of the Federal Reserve Act as amended, and with that end in view to secure bids for the erection of said building and report said bids for the approval of the Federal Reserve Board."

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Mr. Cunningham moved that Mr. Platt's motion be amended by striking out the first part as follows:

"Resolved, that inasmuch as the Committee has found that the reasons which actuated the Board in passing its resolution of March 19th, by which all building not under contract halted, are no longer of primary importance".

Mr. Cunningham's motion being put by the chair was carried, the members voting as follows:

Mr. Hamlin, "aye"  
 Mr. James, "aye"  
 Mr. Cunningham, "aye"  
 Mr. Dawes, "aye"  
 Mr. Platt, "no"  
 Governor Crissinger not voting  
 Mr. Miller not voting.

The resolution, moved by Mr. Platt, as amended by the motion of Mr. Cunningham, being put by the chair, was carried, the members voting as follows:

Mr. Hamlin, "aye"  
 Mr. James, "aye"  
 Mr. Cunningham, "aye"  
 Mr. Dawes, "aye"  
 Governor Crissinger, "no"  
 Mr. Platt, "no"  
 Mr. Miller, "no"

Thereupon, the Governor submitted the other matter laid on the table at the meeting held on October 25th, namely, a report of the Committee on Branches, dated October 23rd, recommending that the Board approve of the directors of the Federal Reserve Bank of San Francisco, proceeding in the matter of erecting a branch Federal Reserve bank building in Salt Lake City, in accordance with the terms of the Federal Reserve Act and a resolution adopted by the Directors of the San Francisco bank on March 15, 1923.

Mr. Platt moved the acceptance of the report of the Committee on Branches.

Unanimously carried.

Mr. Platt then moved the adoption of a resolution as follows:

"Resolved, that inasmuch as the Committee has found that the reasons which actuated the Board in passing its resolution of March 19th, by which all building not under contract halted, are no longer of primary importance the Federal Reserve Board hereby authorizes the directors of the Federal Reserve Bank of San Francisco to proceed with the erection of a branch bank building at Salt Lake City, in accordance with the terms of the Federal Reserve Act as amended, and a resolution adopted by the Directors of the San Francisco bank on March 15, 1923, and with that end in view to secure bids for the erection of said building and report said bids for the approval of the Federal Reserve Board."

Mr. Cunningham moved that Mr. Platt's motion be amended by striking out the first part as follows:

"Resolved, that inasmuch as the Committee has found that the reasons which actuated the Board in passing its resolution of March 19th, by which all building not under contract halted, are no longer of primary importance".

Mr. Cunningham's motion being put by the chair was carried, the members voting as follows:

Mr. Hamlin, "aye"  
Mr. James, "aye"  
Mr. Cunningham, "aye"  
Mr. Dawes, "aye"  
Mr. Platt, "no"  
Governor Crissinger not voting  
Mr. Miller not voting.

The resolution, moved by Mr. Platt, as amended by the motion of Mr. Cunningham, was unanimously adopted.

Governor Crissinger and Mr. Miller explained their votes in favor of the erection of a branch building at Salt Lake City by stating that the Board having adopted a principle in authorizing the directors of the Federal Reserve Bank of St. Louis to proceed with the erection of a build-



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ing at Little Rock, Salt Lake City should be accorded the same treatment.

Mr. Platt called the Board's attention to that portion of the proof of the forthcoming issue of the Federal Reserve Bulletin which quotes the recent resolution of the Board authorizing the Federal Reserve banks in their discretion to purchase the debentures of Federal Intermediate Credit banks and states that the Board sees no reason for the issuance of any rules and regulations at this time restricting their purchase. Mr. Platt suggested the addition of a sentence stating that it is understood the Federal Reserve banks are not to make such purchases direct from Intermediate Credit banks.

After discussion it was voted to strike out that portion of the matter in the Bulletin proof which relates to the necessity of issuing rules and regulations, restricting the purchase of Federal Intermediate bank debentures, and to quote in the Bulletin only the resolution of the Board authorizing such purchase.

The Committee on Discount and Open Market Policy submitted a report on a letter from the Deputy Governor of the Federal Reserve Bank of New York, dated October 9th, suggesting the use by the Federal Reserve Bank of New York, of Federal Reserve notes of the Federal Reserve Bank of Dallas, for shipment abroad; the Committee recommending that no action be taken at this time on the suggestion but that the policies involved in the plan be submitted to the forthcoming conference of Agents and Governors, and the next meeting of the Federal Advisory Council.

The report of the Committee was adopted and pending the Conference of Agents and Governors and the meeting of the Federal Advisory Council, the matter was referred

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to the Law Committee with request that it secure an opinion of Council as to the legality of the plan proposed.

REPORTS OF STANDING COMMITTEES:

Dated, October 30th, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.

Approved.

Dated, October 31st, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

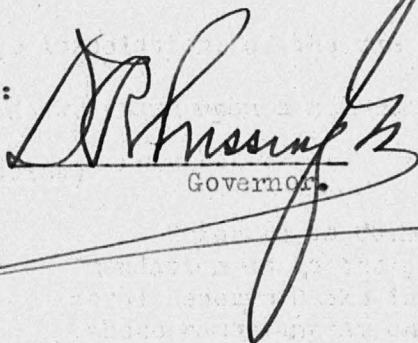
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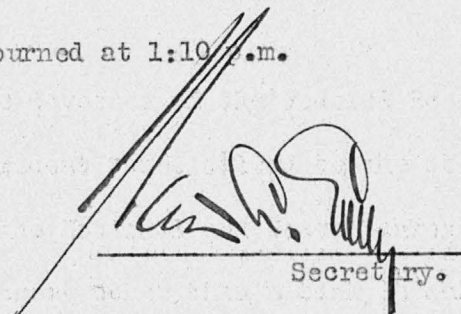
Dated, October 30th, Recommending approval of the application of Mr. LeGrand S. DeGroff to serve at the same time as President of the State National Bank, North Tonawanda, N.Y. and as director of the Buffalo Trust Company, Buffalo, N.Y.

Approved.

The meeting adjourned at 1:10 p.m.

Approved:

  
Governor.

  
Secretary.