

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, November 1st, at 11:05 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 31st were read and approved as amended.

Memorandum dated October 31st, from the Comptroller of the Currency, recommending approval of the application of The Metacomet National Bank of Fall River, Massachusetts, to reduce its capital stock from \$750,000 to \$500,000.

Approved.

Letter dated October 30th, from the Governor of the Federal Reserve Bank of Chicago, with regard to the recent case, called to the attention of the Board by the Secretary of the National and State Bankers' Protective Association, of the use of an agent other than a bank in collecting checks drawn upon a non-member bank in the Seventh Federal Reserve District.

Referred to Committee on Clearings, for recommendation as to the policy to be followed by Federal Reserve banks in handling items drawn on banks whose names appear on the Federal Reserve Par list, but from which the Federal Reserve banks do not receive satisfactory remittances.

Letter dated October 30th, from the Chairman of the Federal Reserve Bank of Atlanta, with respect to the eligibility of certain member

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banks to cast votes in the forthcoming election of Class "A" and "B" directors of the Federal Reserve Bank of Atlanta.

Referred to Law Committee.

Telegram dated October 31st, from the Federal Reserve Agent at San Francisco, advising of arrangements being made for the merger under state charter of the Wells Fargo Nevada National Bank and the Union Trust Company, both member banks located in San Francisco, and the operation of both offices, one as head office and the other as a branch, and recommending approval of the arrangements by the Federal Reserve Board.

Referred to Committee on Examinations.

Memorandum dated October 31st, from Counsel with reference to the application of Mr. John D. Spreckels, for permission to serve as a director of the Anglo and London-Paris National Bank, and the Union Trust Company, both of San Francisco, and as director of the First National Bank of San Diego, stating that the Board has no power under the law to grant the application, and recommending that the Board take no administrative action to enforce Mr. Spreckel's resignation from either institution until the close of the present year, but require him not to stand for re-election at the next election of directors of one of the banks.

Upon motion, the recommendations contained in the memorandum of Counsel were approved.

Letter dated October 30th, from Mr. Kenzel, Chairman of the Committee on Pensions, enclosing copies of a supplemental report of the Pension

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Committee, and calling attention to the fact that the proposed pension plan will be discussed at the forthcoming conference of Governors.

Upon motion, copies of the supplemental report of the Pension Committee were ordered distributed among the members of the Board and the matter was docketed for consideration at the meeting on Wednesday, November 7th.

The Special Committee appointed by the Governor at the meeting on October 30th, submitted its report on the matters referred to it, namely, suggested resolutions establishing a policy for the Federal Reserve System in the matter of publicity and public relations work and a suggested form of reply to the letter from the Federal Reserve Agent at Minneapolis with regard to broadening of public relations work in the Ninth Federal Reserve District.

Upon motion of Mr. James, the resolution set forth in the Committee's report was unanimously adopted as follows:

"WHEREAS, it is most desirable that the public, the member banks and non-member banks throughout the country should be accurately advised as to the work of the Federal Reserve Board and the Federal Reserve Banks; and

WHEREAS, lack of knowledge and misinformation is responsible for almost all of the criticism and attacks made upon the System;

BE IT RESOLVED that it be the duty of the members of the Board and the higher officers of the Reserve Banks to make special effort to overcome antagonism toward the System, by personal efforts in visiting and consulting with the bankers and business men in those communities where dissatisfaction with or criticism of the System prevails; and

BE IT FURTHER RESOLVED that an hour be set for the special consideration of this subject at the November conference of the Governors and Agents."

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Mr. James then moved that the Board approve the form of letter to the Federal Reserve Agent at Minneapolis suggested by the Committee.

Unanimously approved.

The Committee on Branches reported on the matter referred to it at the meeting on October 30th, and submitted a form of letter addressed to the Chairman of the Board of Directors of the Birmingham Branch of the Federal Reserve Bank of Atlanta, with respect to the erection of a building to house the branch.

Upon motion of Mr. Hamlin, the letter was approved and ordered transmitted under this date.

Mr. James advised the Board that Mr. Paul Edwards, of the Bureau of Foreign and Domestic Commerce of the Department of Commerce, this morning presented to him, as Chairman of the Board's Committee on Cuban Agencies, a series of questions set out in a memorandum dated October 30th, with the request that answers thereto be secured from Dr. Clarence Marine, and that a transcript of Dr. Marine's answers be furnished to Mr. Edwards. Mr. James requested that the Board instruct him, as Chairman of its Committee on Cuban Agencies, whether he should decline or undertake to comply with Mr. Edwards' request.

Following a general discussion of the responsibility of the Board for the actions of its nominee on the Superior Liquidating Commission of Cuba, Dr. Miller moved the adoption of the following resolution:

"WHEREAS, it appears that some doubts have arisen in the minds of State Department officials concerned with

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Cuban affairs with reference to the manner in which the Superior Liquidating Commission of Cuba, on which there is a member who was nominated by the Federal Reserve Board, on the specific recommendation of the State Department through General Crowder, is carrying on its work, especially whether the interests of American creditors are being properly protected the Governor is instructed to communicate with the State Department and inquire what responsibility the State Department believes the Federal Reserve Board has in the premises and what it wishes the Board to do that is within its power and province."

Carried.

Mr. James then stated that in the light of the resolution offered by Mr. Miller he would not attempt to develop the questions proposed by Mr. Edwards, without further instructions from the Board.

REPORTS OF STANDING COMMITTEES:

Dated, October 31st, November 1st, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.

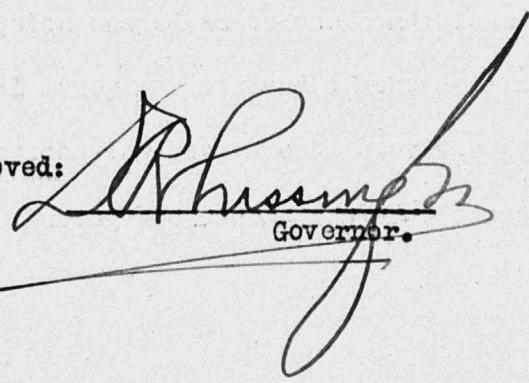
Approved.

Dated, October 31st, Recommending approval of the application of Mr. John Porter to serve at the same time as director of the Chicopee National Bank of Springfield, Massachusetts, and as director of the City Bank and Trust Company, Hartford, Connecticut.

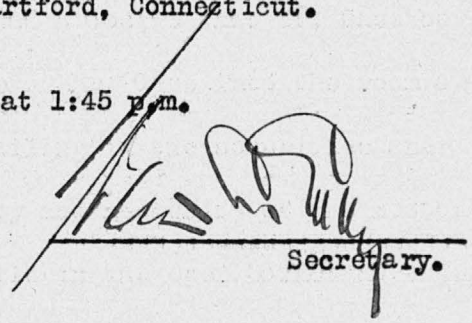
Approved.

The meeting adjourned at 1:45 p.m.

Approved:



Governor.



Secretary.