

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, November 6, 1923, 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 November 1st, were read and approved, after, on motion by Dr. Miller unanimously carried, that portion of the resolution adopted by the Board on the subject of public relations work which read:

"Whereas, it is most desirable that the public, the member banks and non-member banks throughout the country should be accurately and promptly advised as to the attitude and activities of the Federal Reserve Board and the Federal Reserve banks;"

had been changed to read:

"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;"

The minutes of the special meeting of the Federal Reserve Board held on November 2nd were read and approved as amended.

The Governor inquired whether it was the sense of the Board that the resolution, adopted by the Board at its meeting on November 1st, in connection with its responsibility for the conduct of its nominee on the Superior Liquidating Commission of Cuba, should be communicated to the State Department.

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Upon motion of Mr. Hamlin, it was voted to be the sense of the meeting that the Board's resolution referred to should be brought to the attention of the State Department.

The Governor presented a letter addressed to him anonymously from Dallas, Texas, alleging the existence of sentiment in the Eleventh Federal Reserve District against the Deputy Governor of the Federal Reserve Bank of Dallas.

Referred to the Committee on District No. 11.

Memorandum dated November 2nd, from the Secretary recommending the appointment of Mr. R. J. Baggett as telegraph operator, at a salary of \$165 per month, to fill the vacancy caused by the resignation of Mr. R. A. McMullen, effective November 3rd.

Approved.

Memorandum dated November 1st, from the Comptroller of the Currency, recommending approval of the application of the Commercial National Bank of Phoenix, Arizona, for permission to reduce its capital stock from \$150,000 to \$100,000.

Approved.

In this connection Mr. Miller requested authority to conduct a study to ascertain changes in the trend of banking under the Federal Reserve System, more particularly, the ratio of capital assets to liabilities and the conversion of demand deposits into time deposits, with the thought that this might be made the subject of reference in the Board's Annual

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Report.

Approved.

Telegram dated November 5th, from Mr. Victor Heintz, recommending the purchase for the Cincinnati Branch of the Federal Reserve Bank of Cleveland, of the building to be vacated by the Fourth National Bank of Cincinnati.

Referred to Committee on Branches.

Letter dated November 2nd, from the Chairman of the Federal Reserve Bank of Chicago, on the subject "Control of Advertising Matter Used by State Member Banks", and transmitting a suggestion by the President of the Financial Advertisers' Association that the Federal Reserve Board or the Federal Reserve banks prepare samples of advertisements which may properly be used by state member banks.

The Governor was requested to reply to the letter and to ask the Federal Reserve Agent at Chicago to submit such material as in his opinion it might be proper for state member banks to use when advertising their membership in the Federal Reserve System.

Letter dated October 31st, from the Chairman of the Federal Reserve Bank of San Francisco, transmitting a letter addressed to him by the Vice President of the Pacific Southwest Trust and Savings Bank of Los Angeles, California, regarding the action of that bank in purchasing the assets of the First National Bank of Lindsay, California.

Referred to Committee on Examinations.

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Memorandum dated October 30th, from Counsel suggesting a form of reply to a letter dated October 22nd, from Mr. M. C. Elliott, transmitting a memorandum on the right of a director of a national bank holding a permit of the Federal Reserve Board to serve at the same time as an officer or director of such national bank and some other banking institution, to continue to serve under authority of such permit after such national bank has consolidated with another national bank; the proposed reply containing a ruling by the Board that authority thus granted shall continue in effect in the event of the consolidation of such national bank with another national bank, even though the consolidation is not effected under the charter of the national bank mentioned in the Board's permit.

Upon motion of Mr. Hamlin, the proposed letter to Mr. Elliott was approved and a circular letter on the subject was ordered transmitted to all Federal Reserve Agents.

The Governor presented a letter, dated November 2nd, from the Federal Reserve Agent at Minneapolis, in which the Agent suggests that he be excused from attending the joint Conference of Governors and Federal Reserve Agents to be held in Washington during the week of November 12th, owing to the precarious condition of a number of member banks in his district, and the possibility of a situation developing which should have the personal attention of either the Governor of the bank or himself. Governor Crissinger also called attention to his reply, excusing the Agent from attendance at the conference.

Noted.

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Letter dated October 31st, from the Federal Reserve Agent at San Francisco, requesting to be advised of any action by the Board on the application for membership of the Federal Trust and Savings Bank, Hollywood, California, subsequent to that taken on September 6th, when the Board refused approval because of certain discrepancies in the statements of the Bank of Italy and the examiner of the Federal Reserve bank, with respect to stock interests of the Bank of Italy, and calling attention to certain additional information on the subject furnished since that date.

Referred to Committee on Examinations.

Letter dated October 29th, from the Federal Reserve Agent at San Francisco, transmitting report of examination of the Stockholders' Auxiliary Corporation as of September 29, 1923, report of examination of the Bancitaly Corporation, as of October 13, 1923, and a memorandum by the Chief Examiner of the Federal Reserve bank, regarding these reports.

Referred to Committee on Examinations.

Memorandum dated November 6th, from General Counsel, submitting draft of a letter addressed to Counsel of the Federal Reserve Bank of New York, authorizing payment by the Federal Reserve bank of certain expenses in connection with the presentation to the Interstate Commerce Commission of the matter of a revision of express rates, in addition to the fee for legal services approved for Mr. James W. Carmalt, attorney in the matter.

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Upon motion, it was voted to refer Counsel's memorandum back to the Law Committee with instructions to have Mr. Wyatt prepare a detailed report on the history of the employment of Mr. Carmalt and the authority under which said employment was made.

Mr. James referred to a previous informal discussion with respect to the advisability of the Board authorizing the employment of an Assistant to the Governor, and moved that authority be given the Governor to employ a man properly qualified to serve in that capacity.

After discussion, with the consent of Mr. James, the Board voted to lay the motion on the table and that it be made special order of business for the meeting on Thursday, November 8th.

REPORTS OF STANDING COMMITTEES:

Dated, November 1st, Recommending changes in stock at Federal Reserve
2nd, Banks, as set forth in the Auxiliary Minute Book
3rd, of this date.

Approved.

Dated, November 6th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

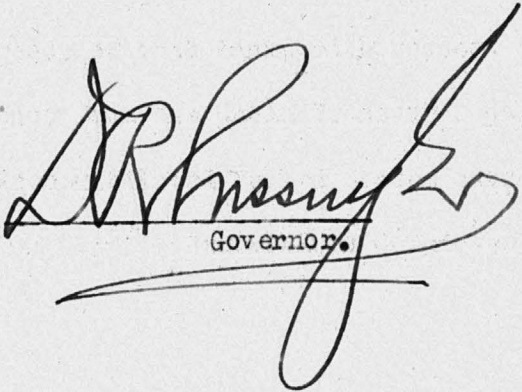
Approved.

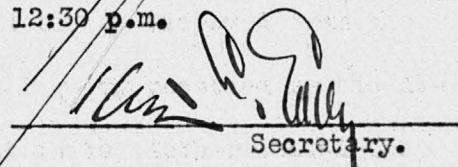
Dated, November 1st, Recommending refusal of the application of Mr. John Steneck to serve at the same time as director of the First National Bank, and as President and director of the Steneck Trust Company, both of Hoboken, New Jersey.

Approved.

The meeting adjourned at 12:30 p.m.

Approved:


Governor.


Secretary.