

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, November 8th, 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 held on November 7th were read.

By unanimous consent, the addition of the following entry, immediately after the action of the Board in voting the publication of the Committee on Examination's majority report on branch banking, was authorized:

"Mr. James moved that publication of the minority report also be authorized.
Carried, Mr. Dawes voting "no"."

Mr. Hamlin moved that the Committee on Examinations be requested, for incorporation in the minutes, to extend its report on the application of the Valley Bank of Phoenix, Arizona, for permission to take over the assets of the First National Bank of Glendale, Arizona, and assume its liabilities, operating it as a branch of the valley Bank; to give the reasons which actuated the Committee in recommending the Board's approval of the application, and that, in view of the resolutions adopted by the Board, this procedure be followed in all future cases where applications for branches are approved:

Carried.

With the foregoing amendments, the minutes of the meeting of November 7th were approved.

Letter dated November 7th, from the Acting Comptroller of the Currency, recommending a salary of \$7,500 per annum for National Bank Examiner E. B. Cushing, to be assigned to the Eleventh Federal Reserve District.

Approved.

11/8/23

Report of Committee on Branches on matter referred to it on November 6th, namely, a 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.

Upon motion of Mr. Hamlin, the report of the Committee, as follows, was approved:

"The Committee on Branches herewith reports in relation to the attached telegram from Mr. Victor Heintz, that Mr. Heintz should be informed that his telegram has been sent to the Federal Reserve Bank of Cleveland for its consideration and further that pending a complete inquiry as to existing Federal Reserve branches, the Board has voted to make no further authorizations for new buildings prior to the receipt of a report based on such an inquiry. The Committee further recommends that a copy of the telegram be sent to Federal Reserve Agent Wills for his consideration; he also to be informed of the Board's resolution above referred to".

Memoranda dated November 7th, from General Counsel, containing an opinion to the effect that both the Federal Reserve Board and the Federal Reserve banks are without legal authority to abolish an existing Branch Federal Reserve bank, and suggesting a form of letter to the Secretary of the Treasury, requesting a ruling on the question by the Attorney General of the United States.

Upon motion of Mr. Hamlin, action on the matter was postponed and Counsel's memoranda were ordered circulated.

Report of Committee on Examinations on the matter referred to it on November 6th, namely, a letter dated October 31st, from the Federal Reserve Agent at San Francisco, requesting to be advised whether the Board has taken any action on the application for membership of the Federal Trust

11/8/23

and Savings Bank, Hollywood, California, subsequent to that of September 6th, when the application was disapproved, because of certain discrepancies in statements made to the Board as to stock ownership by the Bank of Italy; the Committee recommending that the following telegram be sent to the Federal Reserve Agent at San Francisco:

"Board disapproved application Federal Trust and Savings, Hollywood, under date September 6th, and sees no reason for reconsideration of its action. Please advise applicant bank."

Upon motion of Mr. Hamlin, the report of the Committee was approved, Mr. Platt not voting.

Mr. Platt expressed doubt as to the wisdom of excluding a bank from membership in the Federal Reserve System because of the ownership of its stock.

The Committee on Cuba reported on the following matters referred to it at the meeting on November 7th:

(1) Letter dated November 5th, from Deputy Governor Bullen of the Federal Reserve Bank of Boston, quoting from a letter received from the Havana Agency of that bank, with respect to an inquiry received by the Atlanta Agency from the Cuban Treasury Department as to whether said Agency would redeem mutilated United States currency.

(2) Letter dated November 5th, from the Governor of the Federal Reserve Bank of Boston, conveying information received by him to the effect that the Manager of the Havana Agency of the Federal Reserve Bank of Atlanta had quoted the National City Bank of New York a rate of \$4.00 per thousand for a cable transfer, for which the National City Bank intended to make payment in gold coin.

The Committee recommended that both matters be taken up with the Federal Reserve Bank of Atlanta.

Upon motion, the report of the Committee on Cuba was adopted and the matters were ordered referred to the Federal Reserve Bank of Atlanta.

11/8/23

-4-

The Governor brought up the matter docketed as special order of business, namely, the motion made by Mr. James at the meeting on November 6th, that authority be given the Governor to employ a man properly qualified to serve in the capacity of Assistant to the Governor.

After discussion, Mr. Hamlin moved the adoption of a resolution as follows:

"An Assistant to the Governor shall be appointed for the purpose of digesting reports received from the State Department and other departments of the Government, of coordinating the member bank relations departments of the respective Federal Reserve banks, and the preparation of statements as to the workings of the Federal Reserve System."

Mr. Hamlin'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"
 Mr. Miller, "no"
 Governor Crissinger not voting.

Mr. Miller stated he had voted against the resolution on the ground that it will inevitably develop propaganda for the Federal Reserve System, and involve the Board in more difficulty than it will avoid.

Mr. Hamlin stated that it was not in his mind, nor does he believe in any member's mind, that any propaganda should be issued under the jurisdiction of the Assistant to the Governor, but that he should be absolutely confined as expressed in the resolution.

Governor Crissinger stated that he wanted to assure the Board that whatever steps he may take in accordance with the foregoing resolution will be taken only with the approval of the Federal Reserve Board or the proper Committee thereof, and that he thought if any appointment is made it should be with the understanding that the individual members of the Board will have use for the services of the appointee.


11/8/23

REPORTS OF STANDING COMMITTEES:

Dated November 7th Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.

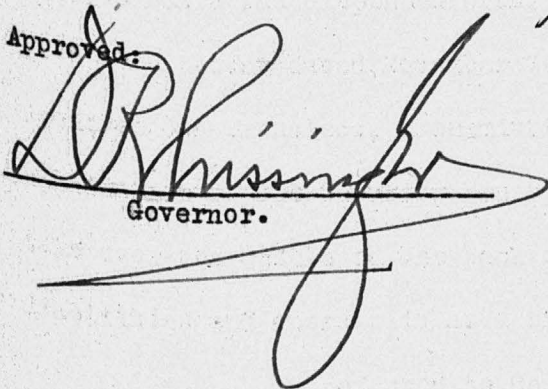
Approved.

The meeting adjourned at 12:30 p.m.



Secretary.

Approved:



Governor.