

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, November 28th at 10:10 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 27th were read and approved.

Letter dated November 27th, from the Deputy Comptroller of the Currency, reporting the resignation, effective November 15, 1923, of Mrs. Lilybeck C. Cobb, a clerk-counter in the Federal Reserve Issue and Redemption Division.

Noted.

The Governor presented the application of the Shaw State Bank of St. Louis, Missouri, for admission to membership under the amendment to the Federal Reserve Act, permitting state banks to become members with a capital of only 60% of that required for the establishment of a national bank in the same city, the bank applying for seventy-eight shares of stock in the Federal Reserve Bank of St. Louis and applying at the same time for a reduction in reserve requirements from 10% of demand deposits and 3% of time deposits to 7% of demand deposits and 3% of time deposits.

Upon motion, the application of the Shaw State Bank for admission of membership was approved, the members voting as follows:

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

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Mr. Hamlin then moved approval of the application of the Shaw State Bank for a reduction in reserve requirements, as stated above.

The motion of Mr. Hamlin being put by the chair the members voted as follows:

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

Lacking five affirmative votes, the motion to approve the application for a reduction in reserve requirements was lost.

At this point, Mr. Dawes entered the room.

After further discussion, Mr. Hamlin moved that the Board reconsider the above action, with respect to the admission of the Shaw State Bank and its application for a reduction in reserve requirements.

Carried, the members voting as follows:

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

Mr. Hamlin then moved that the Board advise the Shaw State Bank that it will be admitted to membership, but that the Board is not prepared at the present time to pass on its application for lower reserves, the bank to be advised, however, that after it has been in operation for a reasonable time, it may renew said application.

Unanimously carried.

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The Committee on Examinations reported on letter dated November 20th, from the Assistant Federal Reserve Agent at San Francisco, transmitting application of the Mercantile Trust Company of San Francisco, to take over the Contra Costa County Bank of Pittsburg, California, and to establish a branch in its premises; the Committee recommending approval in view of the fact that the application has the approval of the state authorities and of the Federal Reserve Bank of San Francisco, and in view of the policy adopted by the Board on November 7, 1923.

Upon motion of Mr. Hamlin, the application of the Mercantile Trust Company was approved, Governor Crissinger and Mr. Miller not voting.

Mr. Hamlin referred to the Board's action at the meeting yesterday in voting that all permissions for interlocking directorates granted under the Kern Amendment to the Clayton Act be reviewed by January 1st, and Mr. Miller presented a form of letter to all Federal Reserve Agents requesting a comprehensive review of the situation affecting interlocking directorates in the various districts, and requesting the Agents to include in their reports a recommendation as to the proper disposition of each case.

Mr. Miller moved that the letter to all Federal Reserve Agents be approved.

Mr. Hamlin moved as a substitute for Mr. Miller's motion that the letter be amended by striking out the last sentence, to wit: "Include in your report a recommendation as to the proper disposition of each case".

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Mr. Hamlin's substitute motion being put by the chair was carried, Mr. Miller voting "no".

Upon motion by Mr. Hamlin, the amended letter was ordered transmitted to all Federal Reserve Agents, Mr. Miller voting "no".

At this point, Mr. James left the meeting.

Mr. Platt then presented the report of the Committee on Examinations on the matter referred to it at the meeting on November 6th, namely, a letter dated October 29th, from Federal Reserve Agent at San Francisco, enclosing reports of examinations of the Bancitaly Corporation and the Stockholders Auxiliary Corporation and a memorandum from Chief Examiner Sargent with regard to these reports; the Committee submitting and concurring in an analysis of the reports by the Board's Chief Examiner and recommending that all papers be circulated.

Upon motion, the file above referred to was ordered circulated.

Letter dated November 26th, from the Assistant Secretary of the National Association of Credit Men requesting an expression of the Board's opinion on drafts of proposed letters to members of the Association and to all banks and trust companies, transmitting a pamphlet entitled "Checks payable at par" and suggesting the adoption of a plan for par payment outlined therein.

Ordered circulated.

REPORTS OF STANDING COMMITTEES:

Dated, November 26th, Recommending action on application for admission of state bank, subject to the conditions stated

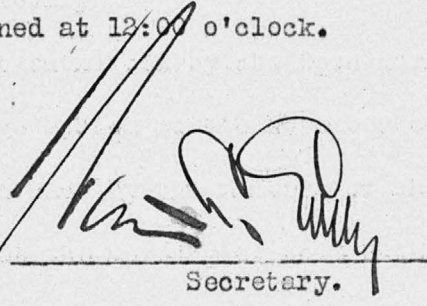
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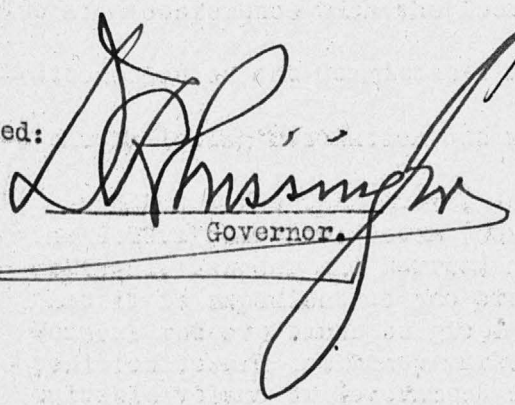
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in the individual reports attached to the application, as set forth in the Auxiliary Minute Book of this date.

Approved.

The meeting adjourned at 12:00 o'clock.


Secretary.

Approved: 
Governor.