

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, December 13th at 11:15 a.m.

PRESENT: Governor Crissinger  
 Mr. Platt  
 Mr. Hamlin  
 Mr. Miller  
 Mr. James  
 Mr. Cunningham  
 Mr. Noell, Assistant Secretary

The minutes of the meeting of the Federal Reserve Board held on December 12th were read and approved as amended.

Letter dated December 6th, from the Chairman of the Federal Reserve Bank of San Francisco, requesting approval of the action of the directors of the bank in reappointing Mr. D. W. Twohy as member of the Federal Advisory Council for the year 1924 and in voting him an allowance of \$600 to cover traveling expenses for each meeting of the Council which he attends in Washington.

Approved.

Telegram dated December 12th, from the Federal Reserve Agent at San Francisco, with respect to the proper procedure in connection with the merger on December 31st of the Wells-Fargo Nevada National Bank and the Union Trust Company, both of San Francisco.

Referred to Committee on Examinations.

In accordance with the action of the Board at its meeting on November 27th, Mr. Hamlin, on behalf of the Law Committee, presented a memorandum dated December 12th from Counsel, on the subject "Review of Clayton Act Situation", recommending that the Board should not depart from the policy adopted in January 1923, when it decided not to revoke Clayton Act permits in cases where the

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interlocking directorates have resulted in the growth of competition between the banks involved and recommending further that the Board include in its next annual report to Congress, a statement advising of its position with respect to the revocation of Clayton Act permits.

After discussion, during which Mr. Dawes entered the room,

Mr. Miller made the following motion:

"It is the sense of the Board that a fair compliance with the intent of the Clayton Act as amended, requires that the Board shall revoke the permits granted to directors of banks which are now competing, whether such competition relates to individual unit banks or to banks created by consolidations with other banks".

Mr. Miller's motion being put by the chair was lost, Mr. Miller voting "aye".

Thereupon, the report of the Law Committee was approved and the Governor appointed Mr. Hamlin as a committee of one to prepare the statement recommended for insertion in the Annual Report.

The Governor then stated that the special order of business for today's meeting was consideration of the pension plan, submitted to the Board by the Pension Committee of the Governors' Conference, and Mr. Hamlin moved the adoption of a resolution as follows:

"Resolved, That the Federal Reserve Board approves the principle of assistance and support for limited classes of employees of Federal Reserve banks, who, without fault of their own, have become disabled while in active service, or who, after long and meritorious service, have been retired under a reasonable retirement plan, such assistance to be provided for from funds contributed by said employees and said Federal Reserve banks".

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

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

Mr. Hamlin then moved that:

"The Board interposes no objection to the submission to Congress of any bill providing for an insurance plan within the system".

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

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

Mr. Miller then moved that:

"The Board disapproves the submission of any plan to Congress by any Federal Reserve bank or Federal Reserve banks without its first having been approved by the Federal Reserve Board".

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

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

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After further discussion, Mr. Miller moved that the pension plan submitted to the Board by the Pension Committee of the Governors' Conference be referred to a special committee of three for report and recommendation.

Mr. Cunningham moved as a substitute for Mr. Miller's motion, that the plan be submitted to the Board's Committee on Salaries and Expenditures for report and recommendation.

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

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

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

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

The chair then stated that he would later appoint the special committee provided for in the resolution.

The Law Committee reported on the matter referred to it at the meeting on November 27th, namely, draft of letter to the Federal Reserve Agent at Minneapolis, with respect to the method of assessing costs of examinations against state member banks, and submitted a memorandum on the subject, from General Counsel, stating the opinion that state member banks examined by a

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Federal Reserve bank may be assessed, not the exact expense of their own examinations but a pro rata share of the expense of all state bank examinations during a given period, based on the resources of the banks on the date of the examinations.

Upon motion by Mr. Hamlin, Counsel's memorandum was ordered circulated.

The Committee on Examinations reported on the matter referred to it at the meeting on December 12th, namely, letter dated December 10th, from the Federal Reserve Agent at Atlanta, recommending approval of the application of the Farmers Bank of Pelham, Georgia, for permission to establish a branch bank at Sale City, Georgia; the Committee recommending that the Federal Reserve bank be requested to submit more detailed information regarding the establishment of the branch bank, as well as statements of condition of the two banks concerned, also that Mr. McCord's attention should be called to the policy recently established by the Board regarding branch banks.

Upon motion, the report of the Committee on Examinations was accepted.

The Committee on Branches reported on the matter referred to it at the meeting on December 6th, namely, details of a plan to provide for rotation in the terms of branch bank directors, and submitted a memorandum dated December 10th on the subject.

The report of the Committee was read and accepted, and upon motion by Mr. James was referred back to the Committee on Branches for the preparation of rules covering the matter along the general lines suggested by the Committee in its report.

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Three letters dated December 12th from Mr. M. C. Elliott, Counsel for the Bank of Italy, renewing the applications of the Bank of Italy:

- (1) For permission to take over the Bank of Watsonville and the Watsonville Savings Bank and to establish a branch in the premises now occupied by said banks;
- (2) For permission to take over the American Savings Bank and the Golden State Bank of Long Beach, and to establish branches in the premises now occupied by those institutions; and
- (3) For permission to establish a branch de novo at Santa Maria, California.

Referred to Committee on Examinations for report at the meeting on Monday, December 17th.

REPORTS OF STANDING COMMITTEES:

Dated, December 12th, Recommending changes in stock at Federal Reserve banks, as set forth in the Auxiliary Minute Book of this date.

Approved.

The meeting adjourned at 1:00 o'clock.

*J. Howell*  
Assistant Secretary.

Approved:

*Whissinger*  
Governor.