

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, December 27th at 11:35 a. m.

PRESENT: Governor Crissinger  
Mr. Hamlin  
Mr. Miller  
Mr. Cunningham  
Mr. Eddy, Secretary.

The minutes of the meeting of the Federal Reserve Board held on December 21st were read and approved as amended.

Memorandum dated December 26th from the Secretary, advising that the Federal Reserve Banks of Chicago and New York have agreed to amend the inter-district time schedule so as to place items between Chicago and Minneapolis and St. Paul on a one day basis and recommending approval of the arrangement.

Approved.

Letter dated December 21st from the Federal Reserve Agent at San Francisco transmitting and recommending approval of the application of the Security Trust and Savings Bank of Los Angeles for permission to establish six branch offices in Los Angeles at or near locations listed.

Upon motion by Mr. Hamlin, the application of the Security Trust and Savings Bank was approved.

Letter dated December 20th from the Federal Reserve Agent at Dallas advising that the indebtedness to the Federal Reserve bank of the First National Bank of Ranger, Texas, which amounted at the time of closing to \$1,041,170.15, has been paid in full, together with all expenses of collection, including attorney's fees.

Upon motion by Mr. Miller, the Secretary was instructed to inquire of the Federal Reserve Bank of Dallas as to the amount of attorney's fees involved and the names of the attorneys receiving same.

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Letter dated December 21st from the Assistant Cashier of the Fourth and First Bank and Trust Company of Nashville, Tenn. transmitting copy of a resolution adopted by the Nashville Clearing House Association regarding the practice of Federal Reserve banks in handling non-cash items.

Ordered circulated and referred to the Board's Committee on Clearings and Governors' Committee on Voluntary Services.

Letter dated December 21st from the Chairman of the Federal Reserve Bank of Atlanta advising of the action of the Board of Directors of that Bank in voting to recommend the discontinuance of the handling of non-cash items by Federal Reserve banks.

Ordered circulated and referred to the Board's Committee on Clearings and Governors' Committee on Voluntary Services.

Letter dated December 24th from the Assistant Federal Reserve Agent at Cleveland transmitting and recommending approval of the application of the Union Savings Bank & Trust Company, Cincinnati, to take over the Home Savings Bank Company of Cincinnati and operate it as a branch.

Referred to Committee on Examinations.

Draft of letter to the Managing Director of the War Finance Corporation advising of the action taken by the Board at the meeting on December 21st in voting to deny the request of the Corporation to have the Board's Division of Examination undertake the auditing of War Finance Corporation activities operated and located in some of the Federal Reserve banks.

Approved.

Letter dated December 19th from the Secretary of the Federal Reserve Bank of Cleveland requesting approval of the action of the directors of that Bank in voting to appropriate a sum of \$3,500 to be administered by two

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officers of the Bank and to be used for making advances to needy employees of the Bank.

Upon motion, the appropriation above mentioned was approved.

Memorandum from Counsel dated December 18th suggesting form of letter to the Chairman of the Federal Reserve Bank of St. Louis, in reply to his letter of October 22nd concerning the proper construction of the amendment of March 4, 1923 to Section 13 of the Federal Reserve Act which authorizes Federal Reserve banks to discount sight and demand bill of lading drafts under certain conditions.

Upon motion, Counsel's memorandum was ordered circulated and docketed for a later meeting.

Memorandum from Counsel dated December 22nd, with regard to letters dated August 2nd from the Governor of the Federal Reserve Bank of Boston and containing an opinion as to the meaning of the words "net balance", in Section 19 of the Federal Reserve Act referring to reserves of member banks.

Ordered circulated.

Letter dated December 19th from the Governor of the Federal Reserve Bank of Boston with regard to the purchase by Federal Reserve banks of domestic acceptances drawn against warehouse receipts for commodities.

Referred to Law Committee for preparation of a reply for the Governor's signature.

Letter dated December 21st from the Secretary of the Federal Reserve Bank of Chicago transmitting a petition for the establishment at Indianapolis, Indiana, of a branch of the Federal Reserve Bank of Chicago and advising of the opinion of the Board of Directors of that Bank that present conditions

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do not justify the establishment of the branch at this time.

Referred to Committee on Branches.

Letter dated December 24th from Senator Jas. E. Watson transmitting communications endorsing the application before the Board for the establishment at Indianapolis, Indiana, of a branch of the Federal Reserve Bank of Chicago.

Referred to Committee on Branches.

Memorandum from Counsel dated December 22nd with regard to recent correspondence between the Board and the Governor of the Federal Reserve Bank of Boston as to the alleged practice of certain member banks in the city of Boston in building up their reserve accounts by the deposit late in the day of the greater part of the vault cash.

Ordered circulated.

Mr. Hamlin, Chairman of the Committee on Nominations submitted a memorandum dated December 26th from the Committee on District #10 advising of the inability of Mr. Carl Gray to serve on the Board of Directors of the Omaha Branch and recommending the reappointment to that Board of Mr. R. O. Marnell, Cashier of the Merchants National Bank of Nebraska City, Nebraska.

Upon motion by Mr. Miller, Mr. Marnell was reappointed a Director of the Omaha Branch for the year 1924.

The Governor then presented a telegram addressed to Mr. Miller by the Governor of the Federal Reserve Bank of Kansas City advising that unless the directors of the Bank hear from the Board to the contrary, they will not name their appointees to their branch directorates until their first meeting in January.

Upon motion by Mr. Hamlin, the Governor was requested to wire Governor Bailey that "unless there is some good reason for delay, the Board hopes matter can be adjusted today."

Draft of letter to the Federal Reserve Agent at St. Louis, prepared by Counsel, in reply to his letter of December 21st with regard to the action

of a member bank in the Eighth Federal Reserve District in refusing to subscribe to additional stock of the Federal Reserve Bank after having increased its surplus fund.

Approved.

Letter dated December 26th from Mr. Hamlin advising that Mr. Howard Bruce does not wish to be appointed a director of the Baltimore Branch, and suggesting the appointment to the Branch board of Mr. Frederic A. Delano, a class "C" director of the Federal Reserve Bank of Richmond.

Upon motion, Mr. Hamlin was requested to ascertain whether Mr. Delano would be willing to accept such an appointment.

Letter dated December 24th from the Chairman of the Federal Reserve Bank of New York, referring to his letter to the Board of December 12th, advising of the action of the directors of that Bank in electing Messrs. McDougal, Ramsdell and Humphrey as directors of the Buffalo Branch and in voting to recommend to the Board the appointment of Messrs. Kloeffer, Coe and Smith. Mr. Jay stated in his letter of December 24th that the directors of the Bank had proceeded in this manner in view of the statements made to him by certain members of the Board that the contemplated reduction in the number of directors of the Buffalo Branch was not to be made effective by the Board until January 1, 1925.

Upon motion by Mr. Miller, Messrs. Kloeffer, Coe and Smith were appointed directors of the Buffalo Branch for the year 1924.

Mr. Miller suggested that he thought it would be well for the Governor, in replying to Mr. Jay's letter, to state that it would make for a better administrative situation in the relation of his bank to the Board if his bank before acting on any information with respect to contemplated policies of the Board would wait until such information had been confirmed in the usual course and regular manner by the Executive Office of the Board.

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Letter dated December 22nd from the Chairman of the Federal Reserve Bank of Philadelphia requesting reconsideration of the Board's action in declining the application of that Bank for permission to make a payment at the end of the year of \$20.00 to each employee, exclusive of officers.

Referred to Committee on Salaries and Expenditures.

Telegram dated December 26th from the Federal Reserve Agent at San Francisco with respect to his action in refusing to make public the result of balloting in the recent elections of class "A" and "B" directors of that Bank.

Referred to Law Committee.

REPORTS OF STANDING COMMITTEES:

Dated December 22nd, Recommending changes in stock at Federal Reserve banks, 26th, as set forth in the Auxiliary Minute Book of this date. 27th, Approved.

Dated December 27th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date. Approved.

Dated December 27th, Recommending action on application for admission of state bank, subject to the conditions stated in the individual report attached to the application, as set forth in the Auxiliary Minute Book of this date. Approved.

Dated December 26th, Recommending approval of the application of Mr. Carl M. Bernegau to serve at the same time as director of the First National Bank, Hoboken, N. J. and of the New Jersey Title Guarantee & Trust Co., Jersey City, N. J. Approved.

Dated December 27th, Recommending approval of the application of Mr. Adolph Rosengarten to serve at the same time as director of the Philadelphia National Bank and of the Philadelphia Trust Company, both of Philadelphia, Pa. Approved.

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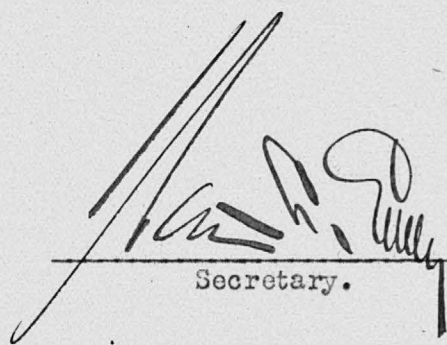
Dated December 26th, Recommending approval of the application of Mr. Gates McGarrah to serve at the same time as director of the Mechanics & Metals National Bank, as director of the J. Henry Schroder Corporation, and as director of the Bank of Central & South America, all of New York City.

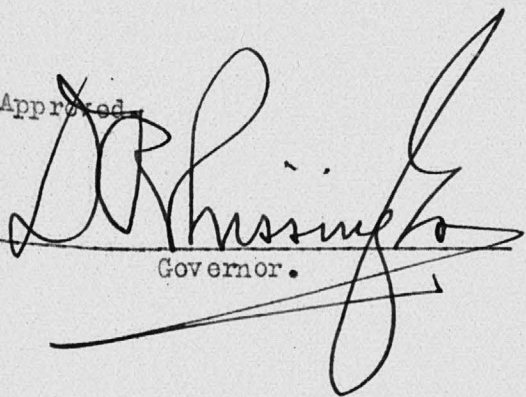
Approved.

Dated December 26th, Recommending approval of the application of Mr. W. Penrose Hallowell to serve at the same time as member of the firm of private bankers of Lee, Higginson & Co., and as director of the Merchants National Bank, both of Boston, Mass.

Approved.

The meeting adjourned at 1:20 p.m.

  
Secretary.

Approved  
  
Governor.