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A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, January 2, 1924, at 11:20 o'clock.

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

The minutes of the meetings of the Federal Reserve Board held on December 28th and 29th were read and approved as amended.

The minutes of the meeting of the Federal Reserve Board held on December 31st were read and approved.

Memorandum dated December 31st, from the Acting Comptroller of the Currency, advising that on Thursday, January 3, 1924, the Comptroller will call for reports of condition of National banks as at the close of business, Monday, December 31, 1923.

Noted, and the Secretary was instructed to send out notice of a call as of the same date for reports of condition of state member banks.

Letter dated December 31st, from the Acting Comptroller of the Currency, advising of the resignation, effective December 31, 1923, of Mrs. Edith F. Fowler, counter in the Federal Reserve Issue and Redemption Division with salary at the rate of \$1260 per annum.

Accepted.

Letter dated December 17th, from the Federal Reserve Agent at Kansas City, requesting approval of the reappointment of Mr. C. K. Boardman, as

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Assistant Federal Reserve Agent at the head office for the year 1924, at a salary of \$7500 per annum, including also his salary as Secretary to the Board of Directors of the bank.

Approved.

Letter dated December 29th, from the Federal Reserve Agent at Richmond, requesting approval of the appointment of Mr. J. C. Seabury, as an Examiner, effective January 1, 1924, without change in present salary of \$2400 per annum.

Approved.

Letter dated December 28th, from the Chairman of the Federal Reserve Bank of New York, requesting approval of the employment of Miss Harriet Dow as Manager of the cafeteria of that bank, with salary at the rate of \$3,000 per annum.

Approved.

Report of Committee on Salaries and Expenditures on letter dated December 28th, from the Federal Reserve Agent in Chicago, recommending the increase to \$1200 per annum of the salaries of three stenographers detailed to the office of the Michigan State Banking Department for the copying and checking of reports of member bank examinations, the salaries at the present time being \$1100, \$1000, and \$900, respectively.

Approved.

Letter dated December 31st, from the Treasurer of the United States advising that no applications have been received from National Banks for the

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sale of bonds under the provisions of Section 18 of the Federal Reserve Act, during the quarter ending December 31, 1923.

Noted.

Draft of letter prepared by Counsel, addressed to Mr. Charles H. Tyler of Boston, Massachusetts, in reply to his letter of December 26th, advising of his inclination to apply to the Circuit Court of Appeals for a review of the Board's decision refusing Mr. E. Sohler Welch permission to serve on the directorates of the Old Colony Trust Company and National Union Bank, both of Boston; the proposed letter stating that it would be satisfactory to the Board if the Circuit Court of Appeals could be induced to hand down a decision interpreting the phrase "substantial competition", as used in Section 8 of the Clayton Act.

Before this letter was considered by the Board, Mr. Hamlin stated that it was necessary to decide whether the Board wants to cooperate in securing a court decision interpreting the term "substantial competition" and moved

"That the Board is willing to cooperate with Mr. Tyler in order that the term "substantial competition" may be defined by the Courts and that the Law Committee is authorized, as far as possible, to use all testimony now before the Board and, by agreement, to make it a part of the record."

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

Thereupon, the proposed letter to Mr. Tyler was referred back to the Law Committee for revision.

Memorandum dated December 31st, from General Counsel, referring



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to a memorandum dated December 14th, from the Deputy Comptroller of the Currency regarding the action of the Drovers National Bank of East St. Louis, Illinois in rediscounting with the Federal Reserve Bank of St. Louis, paper emanating from non-member banks, but not bearing the endorsement of such non-member banks; the memorandum transmitting drafts of letter on the subject addressed to the Deputy Comptroller of the Currency and the Governor of the Federal Reserve Bank of St. Louis.

Upon motion, the forms of letters recommended by Counsel were approved.

Report of Committee on Examinations on matter referred to it at the meeting on December 27th, namely, letter dated December 24th, from the Assistant Federal Reserve Agent at Cleveland recommending approval of the application of the Union Savings Bank and Trust Company of Cincinnati for permission to take over the Home Savings Bank Company and operate it as a branch; the Committee recommending that while there seems to be no objection to the granting of the application, it should be presented by the Federal Reserve Agent in more complete form, giving full information as to the banks involved in the transaction and showing what investigation has been made, and what action taken by the officers of the Federal Reserve Bank of Cleveland.

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

Report of Committee on Examinations on matter referred to it at the meeting on December 29th, namely, telegram dated December 28th, from the Federal Reserve Agent at San Francisco, inquiring whether the Board's permission

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to the Bank of Italy to take over the American Savings Bank of Long Beach included the taking over of the branches of that bank at North Long Beach and Compton, and their operation as branches of the Bank of Italy; the Committee reporting that it has no recommendation to offer in the matter but that it is one to be determined by the Board as a whole.

Mr. Hamlin moved that the Board's permission should be extended to include the taking over by the Bank of Italy of the branches of the American Savings Bank at North Long Beach and Compton.

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

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

Mr. Hamlin then moved that this action be reconsidered by the Board at the first future meeting when all members are present.

Carried.

Letter dated December 31st, from the Federal Reserve Agent at Chicago, advising of the inability of the Iowa State Banking Department to examine during 1923 all state member banks located in that state, due to the fact that the greater part of the examining staff is engaged in looking after the affairs of banks already closed, and stating that efforts are being made to work out a plan whereby the Federal Reserve Examiners will make independent examinations of state member banks with the consent and approval of the State Banking Department.

Noted.

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Mr. Miller presented a letter dated December 26th from the President of the Security Trust and Savings Bank of Los Angeles, referring to his previous letter to the Board dated December 4th and renewing the request made therein that the Board approve, prior to February 1st, the general program of branch expansion within the metropolitan district of Los Angeles as laid down in that letter.

Referred to Committee on Examinations.

There followed a discussion of the Board's present policy with regard to the extension of branch banking and Mr. Hamlin moved:

"That the Board's Chief Examiner be instructed to report as to the present system of examination of member state banks and trust companies where state examinations are not accepted by Federal Reserve banks, with suggestions as to any possible improvements in the method of making said examinations. X

Carried, Mr. Miller not voting.

Letter dated January 2nd, from the Railway Loan Advisory Committee of the Federal Reserve Board, recommending approval of the form of obligation submitted by the Seaboard Air Line Railway Company for a loan of \$6,759,000, (in seven installments, the carrier electing at this time to take over the seventh part of the loan in the amount of \$400,000) under the provisions of Section 210 of the Transportation Act, 1920; as amended.

Approved.

REPORTS OF STANDING COMMITTEES:

Dated, January 2nd, Recommending changes in stock at Federal Reserve banks, as set forth in the Auxiliary Minute Book of this date.

Approved.



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REPORTS OF STANDING COMMITTEES (Cont'd)

Dated, December 31st, Recommending approval of the application of Mr. Dutee W. Flint to serve at the same time as director of the Phenix National Bank and of the Rhode Island Hospital Trust Company, both of Providence, Rhode Island.

Approved.

Dated, December 31st, Recommending approval of the application of Mr. H. Wendell Endicott to serve at the same time as director of the First National Bank of Boston, Massachusetts, and of the Chase National Bank of New York City.

Approved.

Dated, January 2nd, Recommending approval of the application of Mr. E. W. Lane to serve at the same time as officer and director of the Atlantic National Bank of Jacksonville, Florida, and as director of the Citizens and Southern Bank of Savannah, Georgia and of the First National Bank of Fernandina, Florida.

Approved.

Dated, January 2nd, Recommending approval of the application of Mr. E. C. Romfh to serve at the same time as officer and director of the First National Bank of Miami, Florida and as director of the Miami Beach First National Bank of Miami Beach, Florida.

Approved.

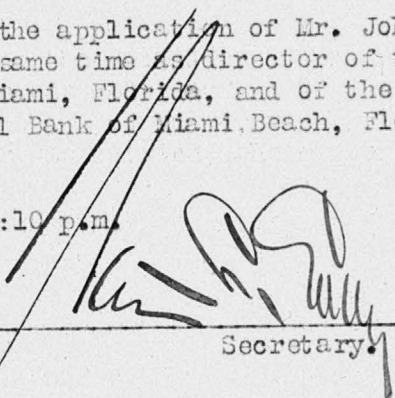
Dated, January 2nd, Recommending approval of the application of Mr. Frank B. Shutts to serve at the same time as director of the First National Bank of Miami, Florida and of the Miami Beach First National Bank of Miami Beach, Florida.

Approved.

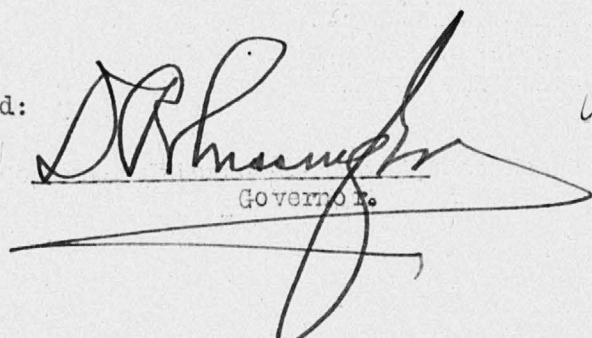
Dated, January 2nd, Recommending approval of the application of Mr. John W. Claussen to serve at the same time as director of the First National Bank of Miami, Florida, and of the Miami Beach First National Bank of Miami Beach, Florida.

Approved.

The meeting adjourned at 1:10 p.m.

  
Secretary.

Approved:

  
Governor.