

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, January 10, 1924, at 11:20 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 the morning of January 9th were read and approved as amended.

The minutes of the meeting of the Federal Reserve Board held on the afternoon of January 9th were read and approved.

Letter dated January 8th, from the Federal Reserve Agent at Chicago on the subject "Examination of State Member Banks in the state of Iowa".

Referred to Committee on Examinations.

Memorandum dated January 7th, from General Counsel on the subject, "Provision for Attorneys' Fees in case notes are not paid at Maturity".

Ordered circulated.

The Committee on Examinations reported on the matter referred to it at the meeting on December 15th, namely, letters addressed to the Federal Reserve Agent at Boston by Congressman Burdick and O'Connell of Rhode Island and the President of the Industrial Trust Company of Providence, Rhode Island, protesting against the Board's resolutions of November 7th on the subject of branch banking; the Committee submitting a majority report signed by Messrs. James and Dawes and a minority report signed by Mr. Platt which follow:

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Majority Report.

"The Committee suggests that the correspondence be sent back to Chairman Curtiss for his files, with perhaps a letter from the Board advising Mr. Curtiss to call attention of the protesting gentlemen to the fact that the Board in defining the policy for the System must necessarily attempt to follow the democratic principle of the greatest good to the greatest number.

While regretting the possibility of a hardship on some state member banks in Rhode Island, the Committee does not see any justification in that situation for a revision of its policy at this time."

Minority Report.

"In view of the fact that the metropolitan area about the city of Los Angeles comprises about as many square miles as the whole State of Rhode Island, the city of Los Angeles alone having an area of 391.63 square miles, and in view also of the fact that 97 per cent of the population of Rhode Island is classed by the census as urban, and that no town in the State is more than an hour from Providence, with the possible exception of Block Island, I suggest that Mr. Curtiss be informed that for purposes of branch banking the whole of Rhode Island may be considered as contiguous to Providence, and therefore not affected by the Board's resolution of November 7th".

Mr. Hamlin moved, as recommended in the minority report, that the whole of the State of Rhode Island be considered as territory contiguous to the city of Providence.

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. Platt, "aye"
Mr. Hamlin, "aye"
Governor Crissinger not voting

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Mr. Hamlin then moved that the Board advise the Federal Reserve Agent at Boston of the above action.

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

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

Mr. Cunningham then moved that the majority report be laid on the table.

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

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

Mr. Hamlin stated that he intended to write a personal and confidential letter to Mr. Curtiss advising the above action.

Letter dated January 5th from the Governor of the Federal Reserve Bank of San Francisco, enclosing a petition for the establishment at Boise, Idaho, of a branch of the Federal Reserve Bank of San Francisco, together with certain correspondence relative thereto.

Referred to Committee on Branches.

Letter dated January 3rd from the Federal Reserve Agent at San Francisco, requesting approval of the reappointment of Messrs. S. G. Sargent

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and Henry C. Breck as Assistant Federal Reserve Agents for the year 1924.

Approved.

Letter dated January 3rd, from the Federal Reserve Agent at San Francisco requesting approval of the reappointment for the year 1924 of the eight members of the regular examining staff of the bank.

Approved.

Letter dated January 3rd, from the Federal Reserve Agent at San Francisco, requesting approval of the designation for the year 1924 as special examiners of ten officers of the bank and its branches named therein, such appointments to be without extra compensation.

Approved.

Letter dated January 3rd, from the Chairman of the Federal Reserve Bank of San Francisco, requesting approval of the action of the Board of Directors of that bank in increasing from \$25,000 to \$27,000 per annum, and from \$15,000 to \$16,000 per annum, the salaries of Governor Calkins and Deputy Governor Day, respectively.

Referred to Committee on Salaries and Expenditures.

Report of the Committee on Examinations on the matter referred to it at the meeting on January 7th, namely, letters dated December 31st from the Federal Reserve Agent at San Francisco, transmitting applications of the Bank of Italy for permission to purchase banks and establish branches at San Fernando, Newhall, Hollywood, Venice, Wheatland and Arcadia; the Committee submitting a majority report signed by Messrs. James and Dawes

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and a minority report signed by Mr. Platt.

Mr. Hamlin moved that the Federal Reserve Bank of San Francisco be advised that the applications of the Bank of Italy have been received and filed and will be acted upon in due course.

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

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

Mr. Platt moved that the majority and minority reports of the Committee on Examinations be received.

Carried.

Mr. Platt then moved that the application of the Bank of Italy to take over the Farmers Bank of Wheatland, California, be approved, and that the other applications be passed over without prejudice for further information.

Mr. Miller then moved, as a substitute for Mr. Platt's motion, that all the above mentioned applications be made the subject of special order at a full meeting of the Board on a date to be fixed by the Governor.

Carried.

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Mr. James then submitted the following inquiry:

"Would it be illegal to make a Board ruling that 'Amounts due from Federal Reserve Banks' (including amount of items uncollected - float) could be deducted from the amount of deposits - by the 7% member banks - in computing the net amount of deposits against which reserves must be carried?"

Referred to Law Committee.

REPORTS OF STANDING COMMITTEES:

Dated, January 9th, Recommending changes in stock at Federal Reserve banks, as set forth in the Auxiliary Minute Book of this date.

Approved.

Dated, January 10th, Recommending action on applications for fiduciary 10th, powers as set forth in the Auxiliary Minute Book 10th, of this date.

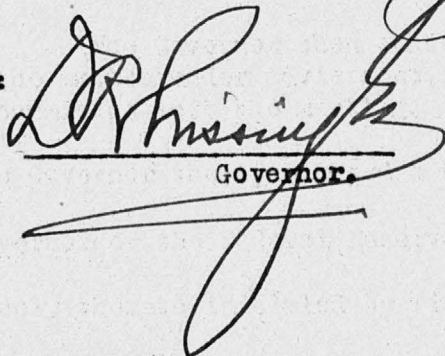
10th, Approved.

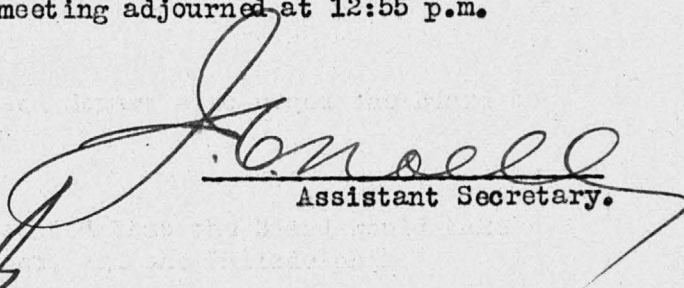
Dated, January 8th, Recommending approval of the application of Mr. Alfred Grosso to serve at the same time as director of the Orange National Bank of Orange, New Jersey and of the First National Bank of West Orange, New Jersey.

Approved.

The meeting adjourned at 12:55 p.m.

Approved:


Governor.


Assistant Secretary.