

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, January 23, 1924, at 10:20 a.m.

PRESENT: Vice Governor Platt
Mr. Hamlin
Mr. Eddy, Secretary

Memorandum dated January 21st, from the Acting Comptroller of the Currency recommending approval of the application of the First National Bank of New Castle, Texas, for permission to reduce its capital stock from \$50,000 to \$25,000.

Referred to the Committee on Examinations.

Letter dated January 14th, from the Chairman of the Federal Reserve Bank of San Francisco stating that he has advised all member banks in the Twelfth Federal Reserve District of the substance of the Board's resolutions of January 7, 1924, regarding the establishment of branches by member banks, and inquiring if the Board desires that the text of the resolutions, as set out in the Board's letter of January 7th (X-3937), be transmitted to the member banks; together with copy of telegram, requesting him to send out the text of the resolutions, transmitted under date of January 21st, on the initials of two members of the Board.

Upon motion, the telegram to Mr. Perrin above referred to was formally approved.

Letter dated January 17th, from the Federal Reserve Agent at Dallas advising that Louisiana and Arizona are the only states in the Eleventh Federal Reserve District which permit branch banking and inquiring

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whether he should advise all member banks in the District of the Board's resolutions of January 7th, regarding the establishment of branches by member banks; together with a telegram requesting him to advise member banks in Louisiana and Arizona, sent out under date of January 21st on the initials of two members.

Upon motion, the telegram above referred to was formally approved.

Letter dated January 17th, from the Governor of the Federal Reserve Bank of Kansas City, advising the Board of the desire of the directors and officers of the bank that the Board assist in securing the passage by Congress of resolutions which have been introduced to permit the erection of buildings for the branches at Omaha and Denver.

Referred to Committee on Branches.

The Law Committee reported on the matter referred to it at the meeting on January 15th, namely, a letter dated January 3rd from the Federal Reserve Agent at San Francisco, suggesting an amendment to the Federal Reserve Act to permit a Federal Reserve Agent to withhold from the ballot, in elections of Class "A" and "B" directors, the name of any nominee who withdrew before the nominations had closed; the Committee submitting a form of letter addressed to the Federal Reserve Agent, stating that the Board does not at this time care to raise the question suggested by the amendment.

Approved.

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The Law Committee reported on the matter referred to it at the meeting on January 16th, namely, a letter dated January 9th from the Assistant Attorney General, advising that the attorney for the former President of the Dickinson Trust Company of Richmond, Indiana, recently convicted, has raised a question as to whether a state bank or trust company has power to subscribe for stock in a Federal Reserve bank, and whether Congress exceeded its power in attempting to exercise control over such banks; the Committee reporting that no action by the Board is necessary and submitting draft of an acknowledgment to the above letter.

Approved.

The Law Committee reported on the matter referred to it on January 16th, namely, letter dated January 10, 1924, from Mr. W. F. Adams of Salt Lake City, with regard to the employment by member banks of former managers and assistant managers of Branch Federal Reserve banks; the Committee submitting draft of a letter to Mr. Adams stating that the Board has no legal authority to prevent such employment and does not, therefore, desire to enter into a discussion of the ethics of the question.

Approved, as amended.

Memorandum dated January 23rd, from the Secretary, on letter dated January 11th from the Under Secretary of the Treasury with regard to the suggestion made by the Chairman of the House Committee on Appropriations that a charge be made against the Federal Reserve Board for the rental

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value of space used at the Bureau of Engraving and Printing for the custody of completed notes held in reserve; the Under Secretary mentioning other items of expense such as receiving, storing, issuing and accounting for paper and the custody of engraved stock held at the Bureau. The Secretary in his memorandum suggested that the Board request the Treasury Department to submit a statement of the additional items and expenses involved in the production of Federal Reserve notes which it may desire to charge against the Federal Reserve banks.

Approved.

Draft of letter addressed to Congressman William W. Arnold, in reply to his letter of January 18, 1924, with regard to the absorption by Federal Reserve banks of abrasion on gold coin; the letter stating that in all sub-treasury or fiscal agency matters, such as redemption of gold coin, the Federal Reserve banks act under regulations prescribed by the Treasury Department and not by the Federal Reserve Board.

Upon motion by Mr. Hamlin, the proposed letter to Congressman Arnold was referred to Counsel for amendment to the effect that "If gold is merely deposited, and redemption not required, it then becomes the duty of the Federal Reserve banks to redeem the gold, it being light weight".

Telegram dated January 22nd, from the Federal Reserve Agent at San Francisco, transmitting and recommending approval of the application of the Security Trust and Savings Bank, Los Angeles, for permission to take over the First National Bank of Monrovia and the Monrovia Savings Bank,

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and to establish branches in the premises now occupied by those banks.

Referred to Committee on Examinations.

REPORTS OF STANDING COMMITTEES:

- Dated, January 22nd, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.
Approved.
- Dated, January 23rd, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
23rd, Approved.
23rd,
- Dated, January 22nd, Recommending approval of the application of Mr. Horace H. Irvine to serve at the same time as director of the Merchants National Bank and of the Grand Avenue State Bank, both of St. Paul, Minn.
Approved.
- Dated, January 22nd, Recommending approval of the application of Mr. Julian B. Baird to serve at the same time as director of the Merchants National Bank and of the Grand Avenue State Bank, both of St. Paul, Minn.
Approved.
- Dated, January 22nd, Recommending approval of the application of Mr. George H. Prince to serve at the same time as director and chairman of the Merchants National bank and as director and President of the Grand Avenue State Bank, both of St. Paul, Minn., and as director and Vice President of the First National Bank, Cloquet, Minn.
Approved.
- Dated, January 22nd, Recommending approval of the application of Mr. Paul J. Kalman to serve at the same time as director of the Merchants National Bank and of the Grand Avenue State Bank, both of St. Paul, Minn.
Approved.
- Dated, January 21st, Recommending approval of the application of Mr. H. L. Brown to serve at the same time as director of the United States National Bank, Galveston, Texas and of the Orange National Bank, Orange, Tex.
Approved.

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REPORTS OF STANDING COMMITTEES: (CONT'D)

Dated, January 22nd, Recommending approval of the application of Mr. Frank Schlick to serve at the same time as director of the Merchants National Bank and of the Grand Avenue State Bank, both of St. Paul, Minn.

Approved.

Dated, January 19th, Recommending approval of the application of Mr. Elisha Walker to serve at the same time as director of the Chase National Bank and of the United States Mortgage and Trust Company and as member of private bankers of Blair and Company, all of New York City.

Approved.

Dated, January 18th, Recommending approval of the application of Mr. M. B. Blake to serve at the same time as Director and President of the Security National Bank, Lawton, Okla, and as director and Vice President of the Liberty National Bank, Oklahoma City, Okla.

Approved.

Dated, January 19th, Recommending approval of the application of Mr. Andrew Hagaman to serve at the same time as director of the Mariner Harbor National Bank of Mariner Harbor, N.Y. as director of the West New Brighton Bank of West New Brighton, N.Y. and as officer and director of the State Bank of Richmond, N.Y.

Approved.

Dated, January 19th, Recommending approval of the application of Mr. Josiah W. Place to serve at the same time as director and officer of the Tottenville National Bank, Tottenville, N.Y. and as director and officer of the Richmond Boro National Bank of Stapleton, N.Y.

Approved.

Dated, January 19th, Recommending approval of the application of Mr. Alfred B. Potterton to serve at the same time as director and officer of the Tottenville National Bank of Tottenville, N.Y. and as director of the Richmond Boro National Bank, Stapleton, N.Y.

Approved.

Dated, January 19th, Recommending approval of the application of Mr. Frank C. Ferguson to serve at the same time as director and officer of the Union Trust and Hudson County National Bank, and as director and officer of the Merchants National Bank, both of Jersey City, N.J.

Approved.

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REPORTS OF STANDING COMMITTEES: (CONT'D)

Dated, January 19th, Recommending approval of the application of Mr. Thomas J. Maloney to serve at the same time as officer and director of the Union Trust and Hudson County National Bank and as director of the Merchants National Bank, both of Jersey City, N.J.

Approved.

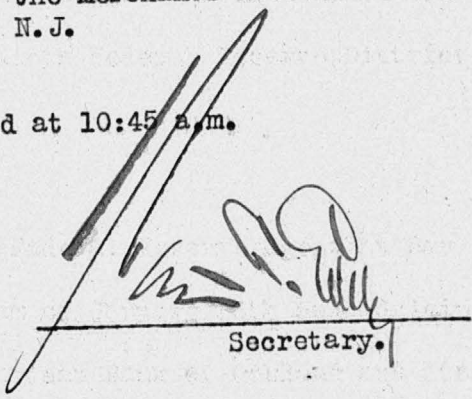
Dated, January 19th, Recommending approval of the application of Mr. Eugene F. Kinkead, to serve at the same time as director of the Union Trust and Hudson County National Bank and of the Merchants National Bank, Jersey City, N.J.

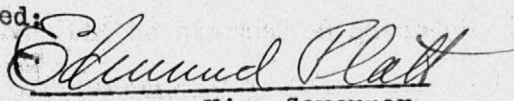
Approved.

Dated, January 19th, Recommending approval of the application of Mr. John M. Enright, to serve at the same time as director of the Union Trust and Hudson County National Bank and of the Merchants National Bank, both of Jersey City, N.J.

Approved.

The meeting adjourned at 10:45 a.m.


Secretary.

Approved: 
Vice Governor.