

Upon call of the Governor, a special meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, January 28, 1924, at 11:30 a.m.

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

The minutes of the meeting of the Executive Committee held on January 23rd were read and approved.

The minutes of the meetings of the Federal Reserve Board held on January 24th and January 26th were read and approved.

The Governor then presented a telegram addressed to him yesterday by Mr. James G. McNary, President of the First National Bank of El Paso, with regard to the critical condition of the City National Bank of El Paso and the efforts which are being made to restore the institution; together with a copy of his telegraphic reply.

Noted.

Letter dated January 26th, from the Secretary of the Federal Reserve Bank of Chicago, advising of the action of the directors of that bank in re-electing Mr. John J. Mitchell as member of the Federal Advisory Council from the Seventh Federal Reserve District during 1924 and in requesting Mr. Ernest A. Hamill to substitute for Mr. Mitchell at any meetings held between February 11, 1924 and last of May, 1924.

Noted.

1/28/24

Letter dated January 26th, from the Assistant Federal Reserve Agent at Cleveland, requesting approval of the appointment of Mr. James H. McClure as an examiner to succeed Mr. A. P. Whipple, resigned.

Approved.

Letter dated January 26th, from the Assistant Federal Reserve Agent at Cleveland, transmitting the application of the Provident Savings Bank and Trust Company of Cincinnati for permission to establish three additional branches in Cincinnati, and advising that a thorough investigation will be made within the next few days.

Upon motion, the application was received and referred to the Committee on Examinations.

Report of Committee on Examinations on letter dated January 24th from the Chairman of the Federal Reserve Bank of Richmond, transmitting the application of the Farmers Bank and Trust Company of Forest City, North Carolina, for permission to open a branch at Rutherfordton, North Carolina; the Committee suggesting that the Board consider this application as having been filed prior to February 1st and that the Secretary be instructed to secure further information.

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

Telegram dated January 24th, from the Chairman of the Federal Reserve Bank of Minneapolis, advising that the directors of that bank have reappointed for the year 1924 all of their appointees to the directorate of the Helena branch.

Noted.

1/28/24

-3-

Letter dated January 26th, from the Secretary of the Federal Reserve Bank of Chicago, advising of the appointment of Mr. John W. Staley, as director of the Detroit branch to serve the unexpired term of Mr. James T. Keena, deceased.

Noted.

Report of Committee on Examinations on matter referred to it at the meeting on January 24th, namely, telegram dated January 21st from the Federal Reserve Agent at San Francisco, transmitting and recommending approval of the application of the Pacific Southwest Trust and Savings Bank of Los Angeles to acquire the First National Bank of Santa Paula and its affiliated institutions, the Santa Paula Savings Bank and the Farmers and Merchants Bank of Santa Paula together with branches of the latter bank at Saticoy and Fillmore and to establish one branch at Saticoy, one at Fillmore and two at Santa Paula, reserving the right later to consolidate the two Santa Paula offices into one branch; the Committee recommending approval of the application, subject to the filing of formal applications with details.

The Secretary presented a letter dated January 22nd from the Federal Reserve Agent on the subject, and upon motion, it was voted to refer the matter back to the Committee on Examinations.

Report of Committee on Examinations on the matter referred to it at the meeting on January 24th, namely, letter dated January 21st from the Assistant Federal Reserve Agent at Cleveland advising that a recent examination of the Union Trust Company of Cleveland disclosed that it is operating three branches in the city of Cleveland which have not been approved by the Federal

1/28/24

-4-

Reserve Board and recommending approval of the branches; the Committee recommending approval and stating that the Federal Reserve Bank might justly be censured for having permitted one of its members to operate branches for more than a year without permission of the Federal Reserve Board.

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

Report of the Committee on Examinations on matter referred to it at the meeting on January 23rd, namely, 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 of Los Angeles to take over the First National Bank of Monrovia and the Monrovia Savings Bank and to operate branches in the premises now occupied by those institutions; the Committee recommending approval, subject to the usual filing of formal applications with details.

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

Letter dated January 23rd, from the President of the Tioga State Bank of Tioga, North Dakota, enclosing copy of letter addressed to the Federal Reserve Bank of Chicago with respect to the alleged action of that bank in returning a check of the Tioga State Bank, which is not on the par list, with a notation that the bank was closed, and complaining against the practice of the Federal Reserve Bank of Minneapolis in returning checks with the notation that they can not be handled, but without giving any specific reason.

Upon motion, copy of the letter and enclosures were ordered transmitted to the Federal Reserve Bank of Chicago.

1/28/24

-5-

Telegram dated January 26th, from the Federal Reserve Agent at San Francisco, transmitting and recommending approval of the application of the Security Trust and Savings Bank for permission to purchase the Citizens Savings Bank of Inglewood, with its branch in Hyde Park, with a view of establishing two branches in the premises occupied by the bank and its branch.

Upon motion, the applications were received and referred to the Committee on Examinations.

Telegram dated January 24th, from the Federal Reserve Agent at San Francisco, requesting approval of the appointment of Mr. J. M. Osmer as special assistant examiner; together with telegram approving such appointment transmitted under date of January 25th on the initials of three members of the Board.

Upon motion, the above appointment was formally approved.

Letter dated January 23rd, from the Secretary of the Federal Reserve Bank of Cleveland, inquiring if there would be any objection to the Federal Reserve bank changing its corporate seal.

Referred to the Law Committee.

Letter dated January 18th, from the Federal Reserve Agent at San Francisco, transmitting and recommending approval of the application of the Wells-Fargo Bank and Union Trust Company of San Francisco, for authority to accept drafts drawn by banks or bankers in foreign countries or dependencies or insular possessions of the United States for the purpose of furnishing dollar exchange.

Approved, as to countries on approved list.

1/28/24

-6-

Letter dated January 18th, from the Federal Reserve Agent at San Francisco, transmitting and recommending approval of the application of the Wells-Fargo Bank and Union Trust Company of San Francisco, for permission to accept drafts up to 100% of its paid-up and unimpaired capital stock and surplus.

Approved.

Letter dated January 25th, from the Federal Reserve Agent at Philadelphia, transmitting draft of a notice which it is proposed will be inserted in the Philadelphia newspapers by the "Federal Reserve Building and Loan Association", stating that it is in no way connected with the Federal Reserve System.

Approved.

The Law Committee reported on the matter referred to it on January 9th, and submitted a memorandum by Counsel, dated January 25th, on the subject, "Board's Power to Reduce the Salary of an Officer or Employee of a Federal Reserve Bank".

Ordered circulated and filed.

Memorandum dated January 24th, from the Secretary requesting authority to continue for a period of six months after February 1, 1924, the services of Mr. L. R. Barry, Stenographic Clerk, and to assign him to the Chief Clerk's office.

Approved.

The Law Committee reported on the matter referred to it at the meeting on January 16th, namely, a letter dated January 11th from the Under Secretary of the Treasury transmitting a communication from the Associated Builders of

1/28/24

-7-

King's County, Inc., Brooklyn, New York, with regard to discrimination by banks in the Second Federal Reserve District against builders' paper for the reason that they can not rediscount same at a Federal Reserve bank; the Committee submitting draft of a letter to the Associated Builders of King's County, Inc., stating that in the absence of information as to the transactions out of which such paper arises or as to the use of the proceeds, no definite statement as to its eligibility may be made.

Approved.

The Law Committee reported on the matter referred to it at the meeting on January 16th, namely, a letter dated January 11th from the Governor of the Federal Reserve Bank of St. Louis, with further reference to the action of the Drovers National Bank of East St. Louis, Illinois, in rediscounting with the Federal Reserve bank paper emanating from non-member banks but not bearing the indorsement of such non-member banks; the Committee submitting draft of a reply stating that such paper is ineligible and requesting the Governor of the Federal Reserve Bank to advise the Drovers' National Bank that no such paper may hereafter be discounted with the Federal Reserve bank.

After discussion, the proposed letter was referred back to the Law Committee for revision.

REPORTS OF STANDING COMMITTEES:

Dated, January 25th, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.

Approved.

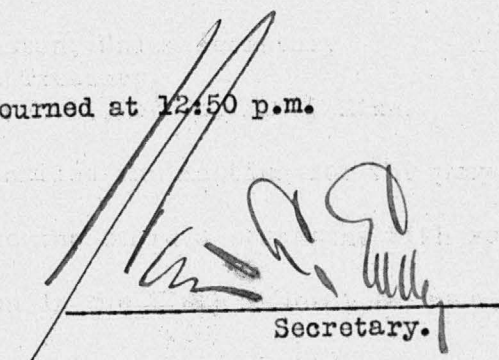
1/28/24

REPORTS OF STANDING COMMITTEES: (CONT'D)

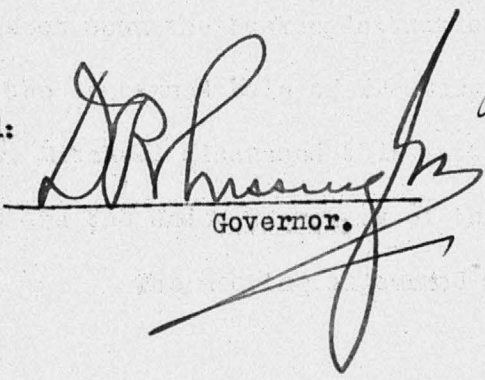
Dated, January 25th, 25th, Recommending action on applications for admission of state banks, subject to the conditions stated in the individual reports attached to the applications, as set forth in the Auxiliary Minute Book of this date.

Approved.

The meeting adjourned at 12:50 p.m.


Secretary.

Approved:


Governor.