A meeting of the Federal Reserve Board was held in the office of
the Federal Reserve Board on Wednesday, February 13th, 1924, at 11:10 a.m.

PRESENT: Governor Crissinger
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Noell, Assistant Secretary

The minutes of the meeting of the Federal Reserve Board held on
February 12th were read and approved.

Letter dated February 12th, from Mr. M. C. Elliott, Counsel for
the Bank of Italy transmitting copies of formal applications of the Bank
of Italy for permission to purchase, and establish branches in the premises
of the American National Bank of Santa Ana, the First National Bank of
El Centro, the First National Bank of Shafter, and the First National Bank
of San Juan; which applications were referred to the Committee on Examinations
at the meeting on January 30th and held for further information at the meeting
on February 1st.

Noted.

Letter dated February 11th, from the Governor of the Federal Reserve
Bank of Chicago with regard to the banking situation in the Seventh Federal
Reserve District and quoting a telegram received from the First National Bank
of Sioux City, Iowa, with respect to its condition.

Ordered circulated.

The Governor then presented a letter addressed to him by Mr.
John H. Fulton, President of the National Park Bank of New York, quoting
a telegram received from a bank in New Mexico, with regard to conditions
in that state and the activities of the Federal Reserve bank, the Intermediate Credit Bank and the War Finance Corporation.

Noted and copies ordered transmitted to the War Finance Corporation and the Federal Farm Loan Board.

Telegram dated February 13th, from the Chairman of the Federal Reserve Bank of New York replying to the Board's letter of February 12th with regard to the application of the Seventh Avenue National Bank of New York City for permission to accept drafts or bills of exchange up to 100% of its paid in capital and surplus; the telegram stating that the officers of the Federal Reserve Bank of New York are unanimous in recommending that the application be denied.

Upon motion by Mr. James, the application of the Seventh Avenue National Bank was disapproved.

Report of Committee on Salaries and Expenditures on matter referred to it at the meeting on February 11th, namely, letter dated February 7th from the Chairman of the Federal Reserve Bank of New York, requesting approval of the employment of Mr. Harold V. Roelse, Statistician, at a salary of $3600 per annum; the Committee recommending approval of the appointment.

Approved.

The Committee on Examinations reported on the matter referred to it at the meeting on February 11th, namely, letter dated February 4th from the Federal Reserve Agent at San Francisco, transmitting the application of the Pacific Southwest Trust and Savings Bank for permission to establish at Moneta and Vernon Avenues and at Vernon and Vermont Avenues, Los Angeles,
two branches, the establishment of which at Tenth and Norton Streets and on York Boulevard were previously approved by the Board and later withdrawn by the bank; the Committee recommending approval of the application.

Approved.

The Committee on Currency reported on the matter referred to it at the meeting on February 11th, namely, letter dated February 5th from the Under Secretary of the Treasury with regard to reserve stocks of Federal Reserve notes of the higher denominations held in custody at the Bureau of Engraving and Printing, together with a memorandum dated February 6th from the Secretary of the Board suggesting cancellation and destruction of surplus amounts of these notes; the Committee recommending approval of the Secretary's suggestion and suggesting that the necessary steps be taken through the Comptroller's office for having the retirement of the surplus notes made effective.

Approved.

The Law Committee reported on the matter referred to it at the meeting on February 5th and presented draft of a reply to letter dated January 3rd from the Secretary of War with regard to the establishment in the Philippine Islands of a branch of the Federal Reserve Bank of San Francisco; said letter having been prepared in accordance with instructions given at the meeting on February 5th.

Approved.
Letter dated February 4th, from the Governor of the Federal Reserve Bank of Dallas with regard to the relations of that bank with the First National Bank of Ft. Sumner, New Mexico, which recently suspended business.

Ordered circulated.

Memorandum dated January 30th and February 5th from the Board's General Counsel and Chief Examiner, respectively, with reference to letter dated January 16th from Mr. Paul M. Warburg, suggesting that the agreement executed by the International Acceptance Bank to qualify its stock for purchase by national banks be modified so as to permit its required reserves on balances held, for account of foreign correspondents to be kept not only with member banks but also with discount corporations or bill brokers, against loans secured by eligible acceptances; Counsel stating that there is no legal question involved in this suggestion, and the Chief Examiner advising that there appears to be no practical objection to the modification requested, provided similar consideration be extended to all corporations operating under agreement with the Board under Section 25 of the Federal Reserve Act.

After discussion, Mr. Hamlin moved that Mr. Warburg be advised that on the understanding that it is permitted by the laws of New York, under which the International Acceptance Bank is incorporated, the Board will offer no objection to the modification proposed, and that this action be published in the Federal Reserve Bulletin as a formal ruling.

Carried.

Letter dated February 7th, from the Federal Reserve Agent at Boston with reference to the applications of the Union Trust Company of Providence for permission to establish branches at Woonsocket, Westerly,
and Newport, all in Rhode Island; the letter stating that the Federal Reserve Agent could not at this time recommend that the applications be granted and inquiring if it would be possible to have the Board approve the general principle of allowing the bank to establish the branches when it had satisfied the Federal Reserve bank that its condition is such that it could safely expand its banking functions elsewhere in the state of Rhode Island.

Referred to Law Committee.

The Law Committee reported on the matter referred to it at the meeting on January 16th, namely, letter dated January 8th from Mr. John W. Davis, transmitting a statement of his account for services to date in the par clearance cases, the balance due on said account being $36,222.99; the Committee submitting a form of letter to Mr. Davis requesting that he submit for consideration of the Board separate statements of his fees in each case handled.

After discussion, during which some members of the Board expressed the opinion that the account is excessive, the matter of communicating with Mr. Davis was referred to the Governor with power.

REPORTS OF STANDING COMMITTEES:

Dated, February 12th, Recommending action on application for admission of state bank, subject to the conditions stated in the individual reports attached to the application, as set forth in the Auxiliary Minute Book of this date.

Approved.
REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, February 12th, Recommending approval of the application of Mr. Henry E. Strathman to serve at the same time as director of the Tenth National Bank of Philadelphia, Pa., and of the Lawndale Bank and Trust Company, Philadelphia, Pa.

Approved.

Dated, February 12th, Recommending approval of the application of Mr. F. Edson White to serve at the same time as director of the Chase National Bank, New York City, of the Continental and Commercial National Bank and the Live Stock Exchange Bank, both of Chicago, Ills.

Approved.

The meeting adjourned at 12:40 p.m.

Approved: [Signature]

Governor.

Assistant Secretary.