A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, February 14, 1924, at 11:15 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on February 13th were read and approved as amended.

Letter dated February 9th, from Senator Willis of Ohio enclosing copy of a resolution adopted by the Fairfield County Farm Bureau regarding Federal Reserve bank rates.

Mr. Platt then read a reply which he had made to a similar letter addressed to him by Senator Fess of Ohio.

Upon motion, Senator Willis' letter was referred to Mr. Platt for reply.

Letter dated January 13th, from the Chairman of the Federal Reserve Bank of New York confirming his telegram of the same date advising of the recommendation of the officers of that bank that the Board deny the application of the Seventh Avenue National Bank of New York for permission to accept up to 100% of its paid in capital and surplus, the letter stating that this recommendation was based upon the fact that the applicant bank does not have a surplus equal to 20% of its capital, as required in the Board's regulations.

Noted.

The Committee on Currency reported on the matter referred to it
at the meeting on February 7th, namely, letter dated February 4th from the Governor of the Federal Reserve Bank of New York with regard to the desirability of uniformity by Federal Reserve banks in computing deficiencies in reserves under the ruling contained in the Board's letter of January 25th (X-3953) on the subject "Currency in Transit To and From Federal Reserve banks"; the Committee submitting draft of a reply advising that several of the Federal Reserve banks have already adopted the plan authorized in the Board's letter but that there will be no objection to the matter being brought up for discussion at the next Governors' Conference.

Upon motion, the proposed letter was approved.

Letter dated February 5th, from the Governor of the Federal Reserve Bank of San Francisco with regard to the alleged action of that bank in returning with incorrect notation checks drawn on the Lane County State and Savings Bank of Florence, Oregon.

Ordered circulated.

The Law Committee reported on the matter referred to it at the meeting on February 1st, namely, the action of the directors of the Federal Reserve Bank of Minneapolis in appointing Judge Andreas Ueland as Counsel and Mr. Sigurd Ueland as Assistant Counsel for the year 1924, and fixing Judge Ueland's compensation at $5,000 a year plus $4,000 for office expense; the Committee reporting that it seems advisable to obtain more detailed information as to the arrangements entered into between the
bank and said counsel before approving the proposed compensation and submitting a form of letter to the Governor of the bank.

Upon motion, the proposed letter was approved.

The Law Committee then submitted a memorandum from Counsel dated February 9th on the subject "Proceedings under the Clayton Act Against E. S. Welch and the National Union Bank of Boston", said memorandum recommending that the Board adopt resolutions as quoted below, suggesting that March 20, 1924, be set as the date for a formal hearing, and submitting forms of complaints to be served upon Mr. Welch and the National Union Bank, together with draft of a letter to the Attorney-General transmitting copies of such complaints:

"WHEREAS, Section 11 of the Act of Congress approved October 15, 1914, known as the Clayton Anti-Trust Act, confers upon the Federal Reserve Board authority to enforce compliance with the provisions of Section 8 of said Act; and

"WHEREAS, the Federal Reserve Board has reason to believe that E. Schier Welch, a resident of Boston, Massachusetts, and The National Union Bank of Boston, a national banking association located in Boston, Massachusetts, have violated and are now violating the provisions of Section 8 of said Clayton Anti-Trust Act, in that Welch is serving as director of the Old Colony Trust Company, a State banking institution located in Boston, Massachusetts, having deposits, capital, surplus and undivided profits aggregating more than $5,000,000 and as director of The National Union Bank of Boston, without first having obtained permission of the Federal Reserve Board, as provided by the Act of Congress approved May 15, 1916, known as the Kern Amendment, and in that The National Union Bank of Boston, being a national banking association organized under the laws of the United States in a city of more than 200,000 inhabitants, has as a director the said Welch who is a director of another bank, to-wit, the Old Colony Trust Company, located in the same place.

"NOW, THEREFORE, BE IT RESOLVED, That the Federal Reserve Board proceed to enforce compliance with the provisions of Section 8 of said Clayton Anti-Trust Act, as provided in Section 11 of said Act, by issuing and serving upon E. Schier Welch and The National Union Bank of
"Boston a complaint stating its charges against them and containing a notice of hearing of said charges to be held before the Federal Reserve Board at such time and place as may be lawfully designated in such notice; and

"BE IT FURTHER RESOLVED, That the Federal Reserve Board, in pursuance of its said authority, take such further steps and do such other things in the premises as may be necessary and proper to enforce due compliance with Section 8 of said Clayton Anti-Trust Act."

Upon motion by Mr. Hamlin, the resolutions above quoted were unanimously adopted, the complaints and letter were approved and March 20, 1924 was set as the date for a formal hearing.

Letter dated February 11th, from the Governor of the Federal Reserve Bank of Dallas in reply to the Board's letter of January 30th, inquiring as to the banking situation at Silver City, New Mexico.

Ordered circulated.

Letter dated February 11th, from the Governor of the Federal Reserve Bank of Dallas with regard to the condition of the First National Bank of Albuquerque.

Ordered circulated.

Letter dated February 8th, from the Chairman of the Federal Reserve Bank of Richmond replying to the Board's letter of February 5th, regarding the establishment of branches by the New Bern Banking and Trust Company of New Bern, North Carolina, and enclosing copy of a letter addressed by him to that bank.

Ordered circulated and referred to the Law Committee.

The Committee on Branches reported on the matter referred to it on February 11th, namely, letter dated February 6th from the Consulting Architect
with regard to buildings for the Omaha and Denver branches in which the
Consulting Architect inquired as to the interpretation of the words "Furniture
and Fixtures"; the Committee recommending approval of the items of furniture,
fixtures and equipment submitted by the Consulting Architect with his letter
of March 2, 1923, and that the suggestions of Mr. Freeman, Assistant Counsel
of the Board, for further inclusions be not approved.

Upon motion, the recommendation of the Committee
on Branches was approved.

The Governor then presented the matter ordered held for a meeting of
the full Board on February 12th, namely, memorandum dated February 9th from
Mr. James recommending certain adjustments in the salaries of officers of
the Federal Reserve Bank of Atlanta, effective January 1, 1924.

Upon motion, it was voted to approve the recommendation
of the Atlanta directors that the salary of M. B. Wellborn,
Governor, be fixed at $20,000 per annum, effective January
1, 1924, the members voting as follows:

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

Upon motion by Mr. Hamlin, it was voted to approve the
recommendation of the Atlanta directors that the salary of
J. L. Campbell, Deputy Governor, be fixed at $12,000 per
annum, effective January 1, 1924, the members voting as fol-
lows:

Mr. Hamlin, "aye"
Mr. James, "aye"
Mr. Dawes, "aye"
Mr. Platt, "no"
Mr. Miller, "no"
Governor Crissinger "not voting"
Upon motion by Mr. James, it was voted that the salary of Joseph A. McCord, Federal Reserve Agent, be fixed at $15,000 per annum, effective January 1, 1924, the members voting as follows:

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

 Upon motion by Mr. James, it was unanimously voted to approve the recommendation of the Atlanta directors that the salary of Ward Albertson, Assistant Federal Reserve Agent be fixed at $6,500 per annum, effective January 1, 1924.

Upon motion by Mr. Hamlin, it was unanimously voted to approve the recommendation of the Atlanta directors that the salaries of the following named officers at the head office and branches be fixed at the figures listed below, effective January 1, 1924:

Creed Taylor, Deputy Governor  $9,000.00
M. W. Bell, Cashier  7,000.00
W. S. Johns, General Auditor  6,000.00
H. F. Conniff, Ass't Cashier  4,200.00
J. M. Slattery, Manager Bank Relations  6,000.00
Department
J. E. McNamara, Manager Nashville Branch  5,400.00
J. E. Fort, Jr. Cashier Nashville Branch  3,600.00
D. E. Avery, Ass't. Manager Savannah Agency  2,400.00
W. H. Black, Ass't. Mgr. New Orleans Branch  5,700.00
J. A. Walker, Cashier New Orleans Branch  5,300.00
F. C. Vasterling, Ass't Cashier New Orleans Branch  3,120.00

Telegram dated February 13th, from the Federal Reserve Agent at San Francisco, requesting that the Board furnish the Executive Committee of that bank with a statement of the standard by which it feels that applications
of California state banks for the establishment of additional branches should be recommended for approval or disapproval.

Referred to Committee on Examinations.

Mr. James then submitted a letter addressed to him by Mr. George L. Harrison, Secretary of the Governors' Conference, recommending that the Board permit matters discussed and agreed upon at Governors' Conferences, which involve only matters of procedure and routine operation, to be made effective by individual Federal Reserve banks without the approval of the Board.

After discussion, Mr. Hamlin moved the adoption of the following resolution:

"WHEREAS it has been the practice of the Governors' Conference to submit to the Federal Reserve Board for its approval or disapproval the complete minutes of its semi-annual conference; and

"WHEREAS it has been understood that no action taken by the Governors Conference should be adopted or made effective by the Federal Reserve Banks until the Federal Reserve Board had announced its action with respect thereto; and

"WHEREAS many of the matters discussed and agreed upon by the Governors involve only matters of procedure and routine operation which might have been made effective by individual Reserve Banks without the approval of the Federal Reserve Board; and

"WHEREAS there is no need or reason for the Board to assume the responsibility of passing upon each detailed vote of the conference upon matters which neither the law nor the regulations require it to pass upon;

"THEREFORE, BE IT RESOLVED that, while the Federal Reserve Banks shall not, without the Federal Reserve Board's approval, adopt or make effective any recommendations or action taken at Governors Conferences relative to matters which either the law or the Board's regulations require the Federal Reserve Board to pass upon, nevertheless the Reserve banks may adopt and make
"effective without awaiting the approval of the Federal Reserve Board any other matters which under the law and the Board's regulations would not have required the Board's approval had individual Reserve Banks adopted them of their own accord.

"AND, BE IT FURTHER RESOLVED That the Secretary of the Governors' Conference shall be charged with the duty of immediately reporting to the Federal Reserve Board any action which in the opinion of the conference requires no definite approval of the Federal Reserve Board before any operations are undertaken under said action.

Carried.

Thereupon ensued a discussion of the Board's policy with respect to the establishment of additional branches by member banks.

Mr. Miller moved that no application for the establishment of a branch will be entertained from any bank with respect to which it is in evidence that the State Authorities are not, as a matter of fact, making satisfactory examination, simultaneously of head office and branches.

Mr. Hamlin raised a point of order that such action is beyond the power of the Federal Reserve Board as under the Federal Reserve Act if the Board does not accept examinations of State Authorities it must conduct examinations itself.

The chair overruled Mr. Hamlin's point of order.

Mr. Hamlin appealed from the decision of the chair on his point of order.

After discussion, it was agreed to let the record stand pending receipt of advice of Counsel relative thereto.
Mr. Miller then moved that no application for the establishment of a branch be entertained from any bank until after the Federal Reserve bank in whose district the applying bank is located has, after due investigation and inquiry, certified to the Board that in its judgment the establishment of such a branch will not threaten or result in either the extinction or impairment of the service of existing local unit banks.

Mr. Hamlin moved as a substitute for Mr. Miller's motion that no application for the establishment of a branch be entertained from any bank until after the Federal Reserve bank in whose district the applying bank is located has, after due investigation and inquiry, certified to the Board that in its judgment the establishment of such a branch will be consistent with the public interest.

After discussion, action on the foregoing motions was postponed until the meeting tomorrow.

REPORTS OF STANDING COMMITTEES:

Dated, February 14th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Approved.

The meeting adjourned at 1:10 p.m.

Approved:

Governor.

Secretary.