

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, March 14th at 11:15 a.m.

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

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

Memorandum dated March 12th from the Director of the Division of Research and Statistics, transmitting the resignation of Miss Alice F. Isakson, statistical clerk, effective May 1, 1924, and recommending the extension from March 31st to April 30th of the temporary appointment of Mrs. Margaret Hammond who is being trained to take over Miss Isakson's work, and stating that in case her work continues to be satisfactory it is hoped to add her to the permanent staff of the Division on May 1st.

Upon motion the resignation of Miss Isakson was accepted and the extension of Mrs. Hammond's appointment was approved.

Report of Committee on Clearings recommending approval of the recommendation of the Leased Wire Committee that Paragraph 9 of the Leased Wire Regulations, contained in the Board's letter of February 1, 1922 (X-3337) be amended to read:

"Leased wires should not be used for tracing non-cash collection items nor for transferring proceeds of collection items sent direct between member banks".

3/14/24

This recommendation having been approved yesterday by the initials of six members, that action was upon motion formally ratified.

Letter dated March 7th, from the Governor of the Federal Reserve Bank of San Francisco transmitting copy of a letter from the Secretary of the Upper Snake River Bankers' Association, quoting a resolution adopted by that Association opposing the establishment in the state of Idaho of a branch of the Federal Reserve Bank of San Francisco.

Referred to Committee on Branches.

Letter dated March 7th, from the Chairman of the Federal Reserve Bank of San Francisco transmitting a tabulation showing the source of deposits and distribution of loans of the Bank of Italy and the Pacific Southwest Trust and Savings Bank by districts.

Noted and ordered circulated.

Mr. Miller then suggested that the Board should have made a systematic study and investigation of branch banking, showing the laws of the various states, etc.

After discussion, Mr. Miller made the following motion:

"It is the sense of the Board that a systematic study and investigation of branch banking should be made, and to this end that the Director of the Division of Research and Statistics be requested to advise the Board whether his Division could undertake such a study and, if so, to prepare and submit to the Board a plan for such study and investigation."

Mr. Miller's motion being put by the chair was carried.

3/14/24

-3-

Report of Committee on Salaries and Expenditures on the matter referred to it at the meeting on March 12th, namely, telegram dated March 11th from the Chairman of the Federal Reserve Bank of Dallas requesting approval of certain changes in the official personnel of that bank and its branches, made necessary by the resignations of Deputy Governor Emerson and Manager Weiss of the El Paso Branch.

The Committee submitted a report in which Messrs. James and Dawes recommended approval of all changes and Mr. Miller recommended approval with two exceptions, namely, salaries proposed for V. J. Grund, Deputy Governor and W. J. Evans, Assistant Federal Reserve Agent.

After discussion, it was voted to postpone consideration of this report for a full meeting of the Board.

The Law Committee then submitted draft of a reply to letter dated March 6th from the Cashier of the Federal International Banking Company of New Orleans submitting for the Board's approval, forms of stock certificates and fractional stock warrants; the proposed reply stating that the Board does not undertake formally to approve stock certificates or stock warrants, but requires them merely in order that they may be on file with it as a matter of record.

Upon motion, the proposed letter was approved.

Report of Law Committee on matter referred to it at the meeting on February 28th, namely, letter dated February 25th from the Federal Reserve

3/14/24

-4-

Agent at Dallas with regard to the application of the First National Bank of San Angelo, Texas, for the reissuance of Federal Reserve bank stock previously surrendered by it upon reduction of surplus; the Law Committee presenting a memorandum from Counsel stating the opinion that the First National Bank of San Angelo is legally entitled to have re-stored to it, as of the date of surrender, shares of stock in the Federal Reserve Bank of Dallas, the cancellation of which was approved by the Board, upon refunding to the Federal Reserve bank the amount received in payment for the stock when cancelled.

Upon motion the recommendations contained in Counsel's memorandum were approved.

The Governor then stated that Messrs. Delano and Graham, directors of the Federal Reserve Bank of Richmond, had called on him this morning, and stated that at the meeting of the Board of Directors of that bank held yesterday, considerable confusion had resulted because of the fact that the Board had not yet advised the bank of its action on the request of the directors that reconsideration be given to action taken at the end of the year in disapproving recommendations for increases in the salaries of certain officers at the head office.

After discussion Mr. Miller moved that reconsideration of the Richmond salary recommendations be made special order for a meeting to be designated by the Governor.

Carried.

Mr. Cunningham, Chairman of the Committee on District #10, stated that the Committee on Branches had referred to him the letter dated March 1st

3/14/24

-5-

from the Governor of the Federal Reserve Bank of Kansas City requesting approval by the Board of the action of the directors of that bank at their meeting on February 28th in authorizing him to execute a contract for the exchange of the lot now owned by the bank in Omaha, for a more desirable one on which to erect their new building.

Mr. Cunningham stated that the Board was not in possession of information which would enable it to approve the arrangement, particularly the clause which provides that the Federal Reserve bank shall pay a rental of \$1,200 per month for its present building until such time as a new building is completed, on the lot to be acquired by it, and occupied by the bank.

After discussion, Mr. Miller moved that it is the sense of the Board that the Governor should send a telegraphic inquiry to the Federal Reserve Bank of Kansas City requesting full information as to the circumstances surrounding the proposed exchange of lots, with request for information as to the present appraised value of the two properties and by whom the appraisal was made.

Mr. Miller's motion being put by the chair was carried.

Mr. Platt then brought up the matter referred to the Law Committee following the last Governors' Conference, namely, the request of the conference for a ruling by the Board interpreting the word "borrower" as used in Paragraph 4 of Section 13 of the Federal Reserve Act. Mr. Platt submitted a memorandum from Counsel stating that the Board previously has held that the maker of a note should be considered the borrower, unless it ap-

3/14/24

pears that he is an accommodation maker, in which event the endorser who receives the benefit of the loan should be considered the borrower, and stating that in his opinion the position formerly taken by the Board is correct.

After discussion, Mr. Hamlin moved that the Board's previous position be reaffirmed and that a letter along the lines of Counsel's memorandum be sent to all Federal Reserve banks.

Carried.

Letter dated March 13th from the Federal Reserve Agent at Philadelphia submitting reports of two irregularities brought out during a recent examination of the Security Trust and Safe Deposit Company of Wilmington, Delaware.

Referred to the Law Committee.

Letter dated March 14th from the Comptroller of the Currency recommending approval of an increase from \$2700 to \$3300 per annum in the salary of National Bank Examiner H. A. Graham.

Approved.

Mr. Miller then reported that it is his intention to visit New York next week and stated that he would like to arrange with the Federal Reserve bank that Mr. L. R. Rounds, its General Auditor, be detailed temporarily to the Board for the purpose of assisting in the work of the Committee on Economy and Efficiency.

After discussion, Mr. Miller was authorized to undertake to make an arrangement with the Federal

3/14/24

Reserve bank and with Mr. Rounds, with the understanding that he would report to the Board before making any definite commitments.

REPORTS OF STANDING COMMITTEES:

Dated, March 14th, Recommending changes in stock at Federal Reserve banks, as set forth in the Auxiliary Minute Book of this date.

Approved.

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

Ordered held.

Dated, March 14th, Recommending approval of the application of Mr. Alvah Miller to serve at the same time as director of the Ossining National Bank, Ossining, N.Y. and of the Hardman National Bank, New York City and of the Mechanics Bank, Brooklyn, N.Y.

Approved.

Dated, March 14th, Recommending approval of the application of Mr. A. L. Humphrey to serve at the same time as director of the First National Bank of Pittsburgh, and of the Peoples Savings and Trust Company of Pittsburgh, and as director and chairman of the Board of the First National Bank of Swissvale, Pa.

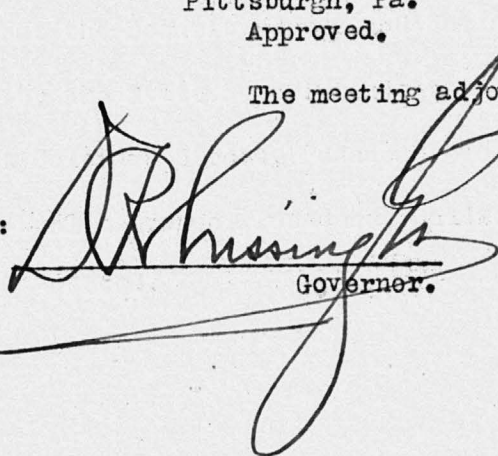
Approved.

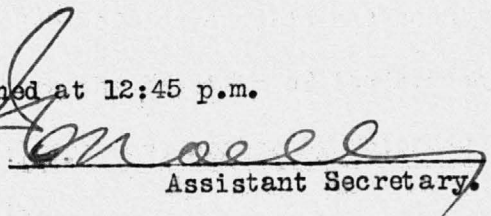
Dated, March 14th, Recommending approval of the application of Mr. C. C. Taylor to serve at the same time as director, Vice President and Cashier of the First National Bank of Pittsburgh, Pa., as director and Vice President of the East End Savings and Trust Company of Pittsburgh and as director of the Oakland Savings and Trust Company of Pittsburgh, Pa.

Approved.

The meeting adjourned at 12:45 p.m.

Approved:


Governor.


Assistant Secretary.