

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, April 3, 1924, at 11:20 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on April 1st were read and approved.

Report of Law Committee, recommending approval of a price of \$50 for 1,000 reprints of the summary of provisions of state laws with reference to bank reserves contained in the March issue of the Federal Reserve Bulletin, to be furnished to the American Bankers Association.

Approved.

Memorandum dated March 29th from General Counsel, requesting authority to publish in the April issue of the Federal Reserve Bulletin various recent rulings of the Board.

This matter, having been approved yesterday on the initials of members of the Board, was ratified.

Report of Law Committee on letter dated March 26th from the Chairman of the Federal Reserve Bank of Philadelphia, with regard to H. R. 214 providing for an investigation of the receivership of the Lehigh Machine Company of Lehigh, Pa., and the conduct of the Federal Reserve Board in the matter.

After discussion the report was ordered filed without action.

At this point Mr. Miller entered the meeting.

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Report of Committee on Examinations on matter referred to it at the meeting on April 1st, namely, telegram dated March 28th from Mr. Frank P. Flint, of Los Angeles, requesting approval of the application of the Pacific Southwest Trust and Savings Bank for permission to purchase the First National Bank of Torrance and to establish a branch in its premises, which application the Board has voted to decline to consider on the ground that the State Banking Department of California is not making standard examinations of the largest institutions which are simultaneous at the head office and branches. The Committee reported as follows:

"The Committee recommends that Senator Flint be advised that the Board's resolution of November 7, 1923, did not in any way set aside any of the previous conditions or policies relative to the establishment of branches but had to do only with the matter of location or territory.

This matter of location or territory is one, but only one, of the several important conditions and in considering applications the Board has given and will continue to give, consideration to each application separately on its own individual merits."

Mr. James moved approval of the Committee's report.

Mr. Hamlin moved, as a substitute for Mr. James' motion, that the Pacific Southwest Trust and Savings Bank be advised that the majority of the Board voted to refuse the application on the ground that the bank was not being examined simultaneously by the State Authorities.

After discussion, action on the above motions was held over for the next meeting.

Report of Committee on Examinations on application of the Bank of Italy for permission to acquire the State Bank of Venice and to establish a branch in its premises; the Committee recommending that the application be

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voted on and that the result of said vote be reported through the Federal Reserve Agent of the San Francisco bank as follows:

"The application of the Bank of Italy to purchase the State Bank of Venice, of Venice, Los Angeles County, California, and to establish a branch in that locality, has today by majority vote of the Federal Reserve Board been approved
denied."

After discussion, action on the above report was withheld until the next meeting.

Letter dated March 26th from the Chairman of the Federal Reserve Bank of San Francisco, on the subject of reserves against time deposits of the Bank of Italy.

Ordered circulated.

Mr. Hamlin, in behalf of the Law Committee, then submitted a report on the matter presented at the meeting April 1st, namely, letter dated March 27th from the Commissioner of Internal Revenue submitting copy of a report by a special agent of that Bureau, relating to the arrest at New Orleans for violation of the National Prohibition Act of Messrs. Bobb, Comley, Bryans, and Winkler, Assistant Federal Reserve Examiners; the Committee stating that it is of the opinion that these Assistant Examiners should be at once suspended from the service until their trial, and further, that the report made to the Board by Examiner Donald is a very mild presentation of the facts, and in the Committee's opinion, he should be criticized for not giving the Board a full and complete report of the matter.

After discussion, Mr. Dawes moved that the Governor be directed to make an immediate investigation and report

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all facts in the matter to the Board.
Carried.

Mr. Miller then presented telegraphic correspondence with the Federal Reserve Agent at San Francisco, with reference to a prospectus of the Hollywood Bond and Mortgage Corporation, Hollywood, California, anonymously forwarded to the Board, which indicates that Mr. C. J. Shepherd, Manager of the Los Angeles Branch, is a director and President of the Corporation; one of the telegrams from Mr. Perrin stating that a letter has been received from Mr. Shepherd advising that he has resigned as President and director of the Corporation. Mr. Miller stated that he brought this matter to the attention of the Board in order that it may take such action as it deems advisable.

After discussion, the matter was referred to the Law Committee.

Report of examination of the Federal Reserve Bank of Chicago and its Detroit branch made as at the close of business, February 5, 1924.

Referred to the Committee on Examinations and Committee on District #7.

Report of examination of the Federal Reserve Bank of Richmond and its Baltimore branch made as at the close of business, January 9, 1924.

Referred to the Committee on Examinations and Committee on District #5.

REPORTS OF STANDING COMMITTEES:

Dated, April 2nd, Recommending changes in stock at Federal Reserve Banks,
3rd, as set forth in the Auxiliary Minute Book of this date.
Approved.

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, April 3rd, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

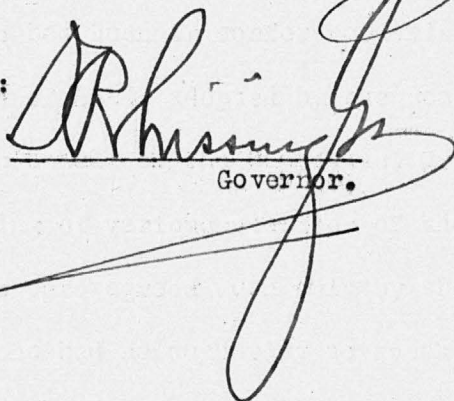
Approved.

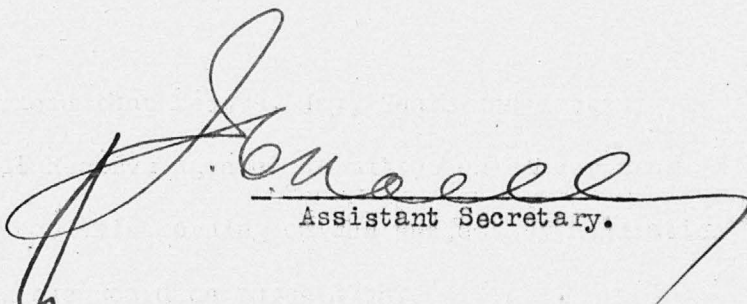
Dated, April 1st, Recommending action on application for admission of state bank, subject to the conditions stated in the individual reports attached to the application as set forth in the Auxiliary Minute book of this date.

Approved.

The meeting adjourned at 12:30 o'clock.

Approved:


Governor.


Assistant Secretary.