Upon call of the Governor a meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, April 15, 1924, at 2:40 p.m.

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

PRESENT ALSO: Mr. Wyatt

The reading of the minutes of the Federal Reserve Board held on April 11th was dispensed with.

The Governor presented draft of a letter to the President of the National City Bank of New York in reply to his letter of April 12th, which had been referred to the Law Committee by the Governor, on the question of whether investments of national banks in the stock of foreign banking corporations, under Sections 25 and 25 (a) of the Federal Reserve Act, should be computed on the basis of the bank's actual investment in such stock or its par value or on the actual book market value of the stock; the proposed reply stating that the limitation should be applied on the bank's actual investment or on the basis of the par value of stock owned.

Mr. Wyatt explained to the Board the circumstances which led to the inquiry of the National City Bank, namely, its desire to invest in the stock of a new corporation which it intends to organize for the purpose of holding stock in a proposed French corporation, to which will be transferred the business of its Paris branch. Mr. Wyatt stated that this was made necessary by a recent French law increasing the taxation on foreign banks doing business in France, and by a movement under way in that country to prohibit foreign
corporations from conducting a banking business.

After discussion, Mr. James moved approval of the letter to the National City Bank.
Carried.

Letter dated April 12th, from the Secretary of the Federal Advisory Council, stating that the next meeting of the Council will be held in Washington on Monday, May 12th.

Noted.

Letter dated April 5th from the Federal Reserve Agent at San Francisco, reporting a shortage of $9,000 at the Los Angeles branch and stating that the Board will be advised of the results of an investigation being made to determine the cause of the shortage.

Referred to Law Committee.

Report of Committee on Examinations on memorandum dated April 12th from the Comptroller of the Currency, recommending approval of the application of the Farmers National Bank of Opelika, Ala., for permission to reduce its capital stock from $300,000 to $200,000, on condition that the amount of the reduction be used in removing bad assets from the bank, which assets are to be trusted for the benefit of shareholders of record at date of reduction and that no portion shall be returned to the shareholders in cash; the Committee also recommending approval.

Approved.

Letter dated March 11th from the Federal Reserve Agent at Philadelphia, requesting approval of the appointment as a bank examiner, without change in
salary, of Mr. C. F. Burke, at present employed in the Federal Reserve
Agent's Department as an assistant to Examiner.

Approved.

Letter dated April 11th from the Federal Reserve Agent at Kansas
City, requesting approval of the action of the board of directors of that
bank in voting to extend to September 1, 1924, the leave of absence
previously granted to Mr. A. H. McAdams, Assistant Cashier of the bank.

Upon motion, the extension was approved.

The Governor then presented a letter dated April 12th from Mr.
Harry L. Cannon of Bridgeville, Delaware, stating that he would accept
appointment as Class "C" director of the Federal Reserve Bank of Philadelphia.

Mr. Cunningham then moved that Mr. Cannon be
formally appointed Class "C" director of the Federal
Reserve Bank of Philadelphia for the term expiring
December 31, 1925.

Carried.

Mr. Cunningham also moved that Mr. C. C. Harrison,
Class "C" director of the Philadelphia bank, be design-
nated Deputy Chairman for the term expiring December
31, 1924.

Carried.

Report of Law Committee on matter referred to it at the meeting on
April 11th, namely, memorandum dated April 11th from the Division of Examin-
ation, quoting conditions of membership provided in the Board's Regulation
"F", reworded for incorporation in letters of advice to state banks apply-
ing for membership; the Committee recommending approval of the conditions
in the form suggested.

Approved.
Memorandum dated April 15th from Mr. James announcing the resignation of Miss Lorette Boyette as his Secretary, and the appointment of Mr. C. S. Bradley to succeed her, at a salary of $2850 per annum, both the resignation and appointment to be effective April 15, 1924.

Noted.

Report of Committee on Examinations on letter dated March 28th from the Federal Reserve Agent at San Francisco, transmitting the application of the Security Trust and Savings Bank to establish a branch de novo in the city of Los Angeles, and advising that the application has the approval of the State Superintendent of Banks, the Membership Committee of the Federal Reserve bank and himself as Federal Reserve Agent; the Committee recommending approval.

Approved.

The Governor then presented the matter ordered circulated at the meeting on March 26th, namely, letter dated March 25th from the Federal Reserve Agent at Richmond, with regard to the desire of the Carolina Banking and Trust Company, Elizabeth City, North Carolina, to establish a branch at Plymouth, North Carolina; the Federal Reserve Agent stating that if the bank should persist in its intention to apply for permission to establish the branch, the evidence now before him would compel him to recommend disapproval.

After discussion, the Secretary was directed to advise the Federal Reserve Agent at Richmond that an examination of the applicant bank is not warranted in this case in view of the fact that its application would probably not be approved, and that he should advise the applicant bank that he himself could not recommend approval of its application.
Letter dated April 8th from the Federal Reserve Agent at San Francisco, with regard to the application of the American Bank of San Francisco, for permission to absorb the American Bank of Oakland and its branches, and to establish branches in the premises now occupied by the American Bank of Oakland and its branches; the Federal Reserve Agent advising that the application has the approval of the State Superintendent of Banks, the Executive Committee of the Federal Reserve bank and himself as Federal Reserve Agent. Referred to the Committee on Examinations.

Letter dated April 7th from the Superintendent of Banks of the State of California, with regard to the action of the Board in disapproving the application of the Pacific Southwest Trust and Savings Bank of Los Angeles to take over the First National Bank of Torrance 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.

Ordered held over for consideration at the meeting to be held on Wednesday, April 23rd.

The Governor then presented the matter ordered circulated at the meeting on April 8th, namely, letters from Assistant Federal Reserve Agent Hosher, Governor Young and Deputy Chairman Clark of the Federal Reserve Bank of Minneapolis, with regard to the recent address of Mr. Hosher in which he is alleged to have attached the so-called Re Mary-Haugen agricultural bill.

Ordered filed.

Letter dated April 11th from the Federal Reserve Agent at Philadelphia, with regard to the application of the Guardian Trust Company of York, Pa., a member bank, to take over the Security Title and Trust Company of York, and
transmitting report of examination of the Security Title and Trust Company.

Referred to Committee on Examinations.

The Governor then announced that the term of Mr. Hamlin as a member of the Executive Committee had expired on March 31st and that Mr. Miller would serve on the Committee for the term ending June 30, 1924.

Report of Examination of the Federal Reserve Bank of Philadelphia, made as at the close of business on February 9, 1924.

Referred to Committee on Examinations and Committee on District #3.

Report of Examination of the Federal Reserve Bank of Boston, made as at the close of business on February 16, 1924.

Referred to Committee on Examinations and Committee on District #1.

Report of Committee on Salaries and Expenditures on letter dated April 12th from the Secretary of the Federal Reserve Bank of Cleveland, requesting approval of the action of the directors of that bank in voting to increase from $2400 to $3,000 per annum, the salary of Mr. H. H. Wolfe, Assistant Examiner of the bank; the Committee recommending approval.

Approved.

Letter dated April 11th from the Chairman of the Federal Reserve Bank of St. Louis, enclosing copy of bill passed by the State Legislature of Kentucky, with regard to the collection of checks and remittance therefor.

Ordered circulated.

Letter dated April 4th from Mr. F. J. Feeney, Attorney at Law, at Santa Maria, California, requesting that the Board approve the application
of the Bank of Italy for permission to establish a branch at that point.

Noted.

REPORTS OF STANDING COMMITTEES:

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

Dated, April 15th, 15th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date. Approved.

Dated, April 15th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date. Ordered held.

Dated, April 15th, 15th, 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.

Dated, April 11th, Recommending approval of the application of Mr. Edward J. Cornish to serve at the same time as director of the Seaboard National Bank and the Anglo-South American Trust Company, both of New York City. Approved.

Dated, April 14th, Recommending approval of the application of Mr. William H. Browning to serve at the same time as director of the Pacific Bank of New York City and as director of the Rye National Bank, Rye, N.Y. Approved.

Dated, April 12th, Recommending approval of the application of Mr. Dane H. Kelsey to serve at the same time as director of the Citizens First National Bank, Independence, Kansas and as director of the Exchange National Bank of Tulsa, Okla. Approved.

Dated, April 11th, Recommending approval of the application of Mr. H. K. Corbin to serve at the same time as Vice President and director of the Hillside National Bank, Hillside, N.J. as Director of the Union County Trust Company of Elizabeth, N.J. and as director of the Union Center National Bank of Union, Union County, N.J. Approved.

The meeting adjourned at 1:20 p.m.

Approved: [Signature]

Governor.

Secretary.