

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, April 17, 1924, at 11:15 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on April 16th were read and approved as amended.

The Governor stated that he had received word from the Chairman of the Committee on Banking and Currency of the House of Representatives that if the members of the Board wished to be heard on the so-called McFadden Bill, the Committee would be glad to have any of them appear before it at 10:30 tomorrow morning.

The Law Committee then submitted draft of reply to letter dated March 27th from the Deputy Governor of the Federal Reserve Bank of Chicago, enclosing specimen of a certificate of deposit received by him from a member bank with request for a ruling as to the classification of funds represented by such certificate in computing the required reserve; the proposed letter stating that the Board is of the opinion that such a certificate of deposit should be considered to represent a demand deposit for the purpose of computing reserves, and suggesting the advisability of an amendment to the form of certificate.

Upon motion the proposed reply was approved.

Letter dated April 11th from the Federal Reserve Agent at San Francisco, advising that the Pacific Southwest Trust and Savings Bank on March 31st opened a branch at 3927 West Sixth Street, Los Angeles, the establishment of which

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in the neighborhood of Sixth Street and Western Avenue was not approved by the Board until yesterday.

Mr. Hamlin moved that the Governor communicate with the Pacific Southwest Trust and Savings Bank and inquire as to the circumstances surrounding the opening of this branch.

Carried.

Report of Committee on Examinations on memorandum dated April 14th from the Comptroller of the Currency recommending approval of the application of the First National Bank of Anthony, Kansas, for permission to reduce its capital stock from \$75,000 to \$50,000, on condition that the bank be reimbursed by the directors for certain excessive loans, and that the entire amount of reduction be applied to taking out remaining losses and doubtful assets; the Committee also recommending approval.

Approved.

Letter dated April 16th from the Deputy Governor of the Federal Reserve Bank of New York, enclosing draft of formal agreement with the Bank of the Republic, Bogota, Colombia, similar to that made with other foreign central banks.

Referred to Law Committee.

Letter dated April 15th from Senator David I. Walsh transmitting request for information with regard to fire insurance carried by Federal Reserve banks on their buildings and with what companies such insurance is placed.

Upon motion, the Secretary was instructed to secure this information from the Federal Reserve banks and transmit same to Senator Walsh.

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Letter dated April 16th from Mr. A. B. Trowbridge, Consulting Architect of the Board, requesting authority to send to all Federal Reserve banks the list of items to be considered "furniture and fixtures, and permanent equipment" in the construction of Federal Reserve bank buildings, which was approved by the Board on February 14th.

Mr. Hamlin moved that the Secretary be instructed to transmit the list referred to to all Federal Reserve banks.

Carried.

Letter dated April 10th from the Chairman of the Federal Reserve Bank of San Francisco on the subject of the extent of the authority of the Comptroller of the Currency in denying or approving applications to organize national banks.

Referred to Law Committee.

Letter dated April 15th from Senator Pittman, Vice Chairman of the Senate Commission on Gold and Silver Inquiry, requesting certain information with regard to the export of standard silver dollars under agreements with international banking corporations during 1919 and 1920.

Referred to Mr. Hamlin.

Report of Committee on Examinations on matter referred to it at the meeting on April 15th, namely, letter dated April 11th from the Federal Reserve Agent at Philadelphia with regard to the application of the Guardian Trust Company of York, Pennsylvania, to take over the Security Title and Trust Company of York; the Committee recommending approval of the application.

Approved.

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The Governor then presented draft of a letter addressed to Mr. E. I. Vaughan of Kansas City, Missouri, in reply to his letter of April 5th with regard to the open market operations of Federal Reserve banks and the method by which dividends would be paid in the absence of sufficient current earnings to meet such dividends.

Upon motion the proposed letter was approved.

Report of Committee on Examinations/on the application of the Bank of Italy transmitted to the Board by the Federal Reserve Agent at San Francisco under date of January 29th, for permission to purchase the business and assets of the First National Bank of Shafter, California, and to establish a branch in the premises now occupied by that institution; the majority of the Committee, Messrs. James and Dawes, recommending that the application be voted on on its merits, and Mr. Platt stating that he sees no reason why the application should not be approved with the understanding that the reasons for the exception be clearly stated in the notification of approval.

Mr. Hamlin moved approval of the application.

Mr. Hamlin's motion being put by the chair was carried, the members voting as follows:

Governor Crissinger, "aye"

Mr. Platt, "aye"

Mr. Hamlin, "aye"

Mr. Miller, "aye"

Mr. James, "no"

Mr. Cunningham, "no"

Report of Law Committee on the matter referred to it at the meeting on February 19th, namely, an investigation of the problem of notary fees paid by Federal Reserve banks; the Committee submitting a memorandum from Counsel dated April 16th summarizing information contained in the replies of Federal Reserve banks to the Board's letter of March 6th (X-3987) on the subject.

Mr. Hamlin moved that the question of notarial fees be placed on the program for discussion at the forthcoming Governors' Conference.

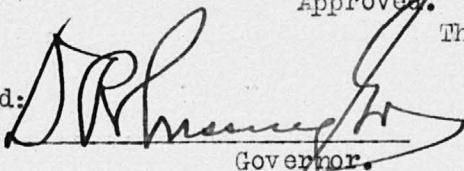
Carried.

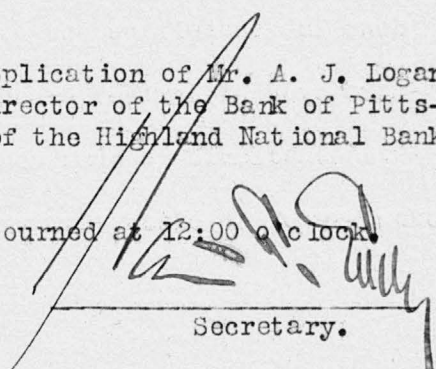
REPORTS OF STANDING COMMITTEES:

- Dated April 16th, 17th, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.
Approved.
- Dated April 17th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Approved.
- Dated April 16th, Recommending approval of the application of Mr. C. C. Allen to serve at the same time as director and officer of the Brown National Bank, the First National Bank, and the Northwestern Loan & Trust Co., all of Kenosha, Wis.
Approved.
- Dated April 16th, Recommending approval of the application of Mr. C. C. Brown to serve at the same time as director and officer of the Brown National Bank, the First National Bank, and the Northwestern Loan & Trust Co., all of Kenosha, Wis.
Approved.
- Dated April 16th, Recommending approval of the application of Mr. C. H. Pfening to serve at the same time as director of the Brown National Bank, the First National Bank, and the Northwestern Loan & Trust Co., all of Kenosha, Wis.
Approved.
- Dated April 16th, Recommending approval of the application of Mr. C. S. Judd to serve at the same time as director of the Brown National Bank and as director of the First National Bank, both of Kenosha, Wis.
Approved.
- Dated April 16th, Recommending approval of the application of Mr. C. W. Nash to serve at the same time as director and officer of the Brown National Bank, Kenosha, Wis., as director of the First National Bank, Kenosha, Wis., and as director of the First Wisconsin National Bank of Milwaukee, Wis.
Approved.
- Dated April 16th, Recommending approval of the application of Mr. A. H. Lane to serve at the same time as director of the Brown National Bank and as director of the First National Bank, both of Kenosha, Wis.
Approved.
- Dated April 16th, Recommending approval of the application of Mr. A. J. Logan to serve at the same time as director of the Bank of Pittsburgh, N. A., and as director of the Highland National Bank, both of Pittsburgh, Pa.
Approved.

The meeting adjourned at 12:00 o'clock.

Approved:


Governor.


Secretary.