

A special meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, April 28, 1924, at 10:15 a.m.

- PRESENT: The Chairman
 Governor Crissinger
 Mr. Platt
 Mr. Hamlin
 Mr. Miller
 Mr. Eddy, Secretary.

Following a general discussion of the rate situation, the Board was unanimous in reaching the conclusion that a reduction in the discount rate of the Boston, New York and Philadelphia banks to 4 per cent in each case, if recommended by the Board of Directors of any or all of said banks, should be and would be approved by the Federal Reserve Board and it was voted that the Executive Committee of the Board, in the absence of a quorum, should have power to ratify a rate reduction to 4 per cent if formally proposed by any one or all of the three banks mentioned.

At this point the Chairman left the meeting.

Mr. Hamlin then presented a memorandum from Counsel dated April 26th, submitting draft of reply, prepared in accordance with action taken by the Executive Committee at the meeting on April 24th, to letter dated April 18th from the Deputy Governor of the Federal Reserve Bank of New York; advising that the Board will approve of that bank's acting as custodian or trustee of certain securities to be deposited with it by the National City Bank to secure a deposit of funds received by that bank from the Banco Internacional of San Jose, if this can be done wholly as an accommodation to the National City Bank and if the National City Bank enters into a contract of indemnity agreeing to indemnify the Federal Reserve Bank of New York. In his memorandum, Counsel stated that this letter has been prepared

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only because it has been requested by the Board and that he does not approve it or recommend that it be sent, but is of the opinion that there is no authority in law for a Federal Reserve bank to act as custodian or trustee of securities in such a case where it is not acting as correspondent of the foreign bank in question, regardless of whether or not it undertakes to act in such capacity wholly as an accommodation to the member bank.

Mr. Hamlin moved that the Governor take the matter up with the Federal Reserve Bank of New York and advise that bank of Counsel's opinion.

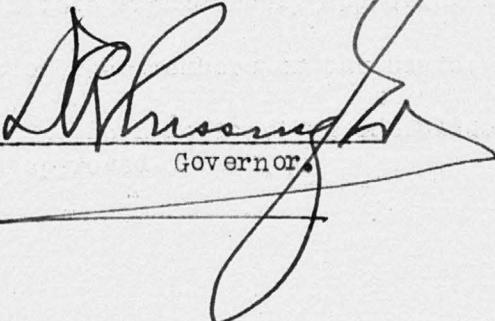
Carried.

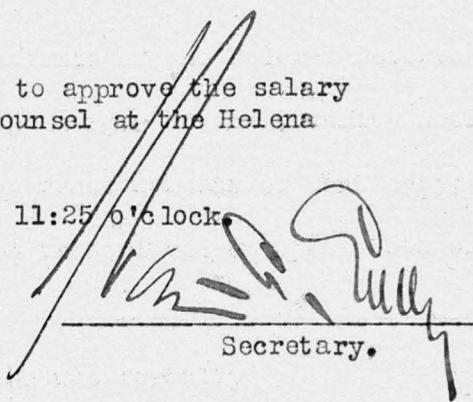
Report of Law Committee on matter referred to it at the meeting on April 25th , namely, letter dated April 21st from the Governor of the Federal Reserve Bank of Minneapolis requesting approval of a salary for Mr. T. B. Weir, Counsel at the Helena branch, at the rate of \$3600 per annum, with an additional allowance of \$2400 per annum for office expense; said allowance to date from January 15, 1924; the Committee submitting a memorandum from Counsel stating the opinion that the allowance is not an unreasonable one.

Upon motion, it was voted to approve the salary and allowance recommended for Counsel at the Helena branch.

The meeting adjourned at 11:25 o'clock.

Approved:


Governor.


Secretary.