

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, May 2, 1924, at 11:10 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on April 29th were read and approved as amended.

The minutes of the meeting of the Executive Committee of the Federal Reserve Board held on April 30th were read and approved.

Report of Law Committee on the application of Mr. F. A. Verdon for permission to serve at the same time as director of five small banks - three national and two state - located in Staten Island which is included within the corporate limits of New York City; the Committee submitting a memorandum from Counsel stating that while the Board has no power to permit Mr. Verdon to continue to serve on the directorates of more than three of the banks, it may in the exercise of its discretion, and if the situation seems to warrant it, withhold enforcement of the law.

After discussion Mr. Hamlin moved that the matter be referred to the Comptroller of the Currency for recommendation as to the national banks involved.
Carried.

Report of Law Committee on letter dated April 25th from the Chairman of the Federal Reserve Bank of Kansas City, requesting approval of a salary at the rate of \$6,000 per annum, for Mr. H. G. Leedy, who has been appointed Counsel of the bank to succeed Judge Goodrich; the Law Committee recommending that the Board request information as to whether Mr. Leedy is to receive

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any additional compensation for extraordinary services.

Upon motion, the recommendation of the Law Committee was approved.

Memorandum dated April 30th from Counsel, with regard to letter dated April 26th from the Deputy Governor of the Federal Reserve Bank of Boston enclosing specimen of a note providing for acceleration of maturity upon contingency; Counsel stating that the eligibility of this note depends upon its negotiability which appears to be too uncertain to make the note suitable for rediscount by a Federal Reserve bank.

Upon motion, Counsel's memorandum was approved.

Memorandum dated April 28th from the Division of Examination, with regard to letter dated April 21st from the Southwest State Bank of Los Angeles, stating that the bank is able to comply with all conditions of membership imposed by the Board except that providing that it shall not, either directly or indirectly, through affiliated corporations or otherwise, acquire an interest in another bank in excess of 20% of the capital stock of said other bank, etc.

Referred to the Law Committee.

Report of Committee on Examinations on letter dated April 25th from the Federal Reserve Agent at Philadelphia, transmitting and recommending approval of the application of the Provident Trust Company of Philadelphia to establish a branch de novo at 1508 Chestnut Street, Philadelphia; the Committee recommending approval of the application.

Approved.

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Report of Law Committee on matter referred to it at the meeting on April 22nd, namely, letter dated April 19th from Moses and Singer, New York City, requesting certain information with regard to the establishment of the Petrograd Branch of the National City Bank of New York; the Committee submitting draft of a reply stating that the Board can not comply with the request so far as it relates to furnishing copies of documents and records in its official files, but that the application for the Petrograd Branch was approved on July 5, 1916, and that the Board is not advised when the branch was closed.

Upon motion, the proposed reply was approved.

Memorandum from Counsel dated April 29th on letter dated April 25th from the Chairman of the Federal Reserve Bank of Atlanta enclosing power of attorney for officers of the Cuban Agency of the bank; Counsel submitting with his memorandum draft of a letter to the bank stating that the power of attorney appears to comply in all respects with the suggestions which have been made by the Board.

Upon motion, the proposed letter was approved.

Report of Committee on Examinations on telegram dated April 25th from the Federal Reserve Agent at San Francisco, advising that the American Bank of San Francisco desires to take over the branch at Elmhurst of the Bank of San Leandro, one of the institutions owned by the American Bank of Oakland which was recently consolidated by the American Bank of San Francisco with the Board's approval; the Committee reporting that the Board's action in approving the merger was intended to include any existing branches of the banks involved and recommending that the branch at Elmhurst be formally approved.

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Upon motion, the recommendation of the Committee was approved.

At this point, Mr. Cunningham entered the meeting.

Telegram dated April 30th addressed to Mr. Miller by the President of the Bank of Italy, requesting immediate favorable action on all applications of that bank for branches which are now before the Board.

Referred to the Committee on Examinations.

Draft of reply to letter dated April 24th from the Superintendent of Banks of the State of California, with regard to his recent conference with the Board at which it was agreed that the State Department would hereafter conduct simultaneous examinations of state banks in California having branches; the proposed reply stating that for the purpose of reaching an agreement it appears desirable that the Board be furnished with a detailed plan of the Department's contemplated method of operation.

Upon motion, the proposed letter was approved.

Letter dated May 1st from the Chairman of the Federal Reserve Bank of Philadelphia, referring to the action of the Federal Reserve Bank of New York taken on April 30th in reducing its rediscount rate to 4 per cent, and advising that the Executive Committee of the Philadelphia bank did not on the same day care to make any recommendation as to a change in their rate. The Chairman requested from the Board any statement it would care to make concerning country-wide or other conditions bearing upon the rate question which could be submitted to the Philadelphia directors at their next meeting.

Upon motion, the letter was referred to the Committee on Discount and Open Market Policy.

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Mr. Hamlin stated that the Governor of the Federal Reserve Bank of Boston had advised him over the telephone that the directors of that bank had not voted to reduce the discount rate of the bank but had given their Executive Committee power in the matter.

REPORTS OF STANDING COMMITTEES:

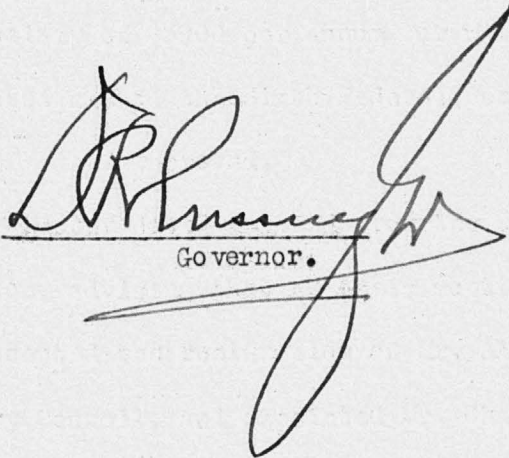
Dated, April 30th, May 1st, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.
Approved.

Dated, May 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.

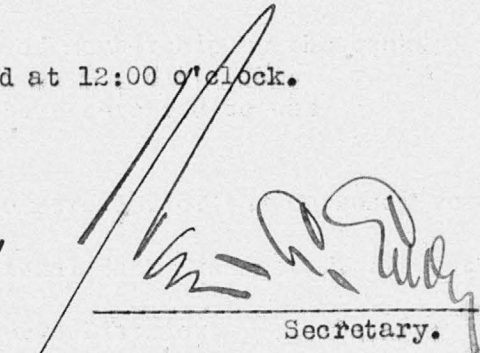
Dated, April 29th, Recommending approval of the application of Mr. J. Mayhew Wainwright to serve at the same time as director of the Rye National Bank of Rye, N.Y. and as director of the Westchester Trust Company of Yonkers, N.Y.
Approved.

The meeting adjourned at 12:00 o'clock.

Approved:



Governor.



Secretary.