Upon call of the Vice Governor a special meeting of the Federal Reserve Board was held in the office of the Vice Governor on Monday, May 12, 1924, at 3:30 p.m.

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

The minutes of the meeting of the Federal Reserve Board held on May 9th were read and approved.

Report of Committee on Salaries and Expenditures on letter dated May 7th from the Chairman of the Federal Reserve Bank of Philadelphia, recommending approval of an increase from $2900 to $3600 per annum in the salary of Mr. Charles P. Burke, Bank Examiner, effective May 1, 1924; the Committee recommending approval.

Approved.

Letter dated May 10th from the Secretary of the Federal Reserve Bank of Cleveland, advising that at the meeting of the board of directors of that bank held on May 9th, a minimum open market rate of 3 1/2% was established.

Noted with approval.

Report of Committee on Examinations on memorandum dated May 9th from the Comptroller of the Currency, recommending approval of the application of the Bankers National Bank of Minneapolis, Minn., for permission to reduce its capital from $800,000 to $250,000, on condition that no money be returned to the shareholders and that all assets set free by the reduction be withdrawn from the bank and trusted for the benefit of shareholders of the date of reduction; the Committee also recommending approval.

Approved.
Letter dated May 7th from the Federal Reserve Agent at St. Louis, recommending approval of certain changes in the staff of examiners and special examiners of the bank.

Approved.

Report of Committee on Examinations on letter dated May 1st from the Federal Reserve Agent at San Francisco, transmitting and recommending approval of the application of the Security Trust and Savings Bank of Los Angeles for permission to acquire the Arlington Heights State Bank of Los Angeles and to establish a branch in its premises; the Committee also recommending approval of the application.

Approved.

Report of Committee on Examinations on letter dated May 1st from the Federal Reserve Agent at San Francisco, transmitting and recommending approval of the application of the Security Trust and Savings Bank of Los Angeles for permission to establish a branch de novo at or near the intersection of Glendale Boulevard and Seneca Avenue, Los Angeles; the Committee also recommending approval.

Approved.

The Vice Governor then presented draft of a reply to letter dated May 9th from the Chairman of the Federal Reserve Bank of New York, advising that state banks in Rochester, New York, are prepared to support a new plan for the rehabilitation and consolidation of the two national banks in that city which are in a weakened condition and that in case the plan is carried out the state banks will desire to be represented on the directorate of the
The consolidated national bank; the proposed reply stating that in the absence of detailed information the Board cannot properly make a definitive ruling on the question but that it will be disposed to approve temporarily the interlocking directorates between the state bank in question and the re-organized national bank, reserving to itself the right to review the situation after the new bank shall have become firmly established.

Following a discussion of the matter, during which Mr. Dawes entered the meeting, the proposed reply was approved as amended.

REPORTS OF STANDING COMMITTEES:

Dated, May 10th, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date. Approved.

Dated, May 12th, Recommending action on applications for fiduciary powers, as set forth in the Auxiliary Minute Book of this date. Approved.

The meeting adjourned at 4:10 p.m.

Approved:

Edmund Platt
Vice-Governor.

Secretary.