

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, May 29, 1924, at 3:15 p.m.

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

The minutes of the meeting of the Federal Reserve Board held on May 27th were read and approved.

Letter dated May 27th from the Comptroller of the Currency, advising that the resignation of Miss S. Myrtle Heale, clerk-counter in the Federal Reserve Issue and Redemption Division, with salary at the rate of \$1380 per annum, has been accepted effective at the close of business May 31, 1924.

Noted.

Letter dated May 28th from the Comptroller of the Currency, advising that the resignation of Mrs. Annie M. Drewett, money counter in the Federal Reserve Issue and Redemption Division, with salary at the rate of \$1440 per annum, has been accepted effective at the close of business June 26, 1924.

Noted.

Memorandum dated May 28th from the Director of the Division of Research and Statistics, recommending that Miss Louise Young, an employee of that division, be granted leave without pay for a period of two and one-half months from July 1st to September 15th, inclusive.

Approved.

Report of Committee on Salaries and Expenditures on letter dated May 26th from the Secretary of the Federal Reserve Bank of Cleveland, re-

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requesting approval of the action of the Executive Committee of that bank in voting to increase the salary of Edward L. Merkel, Chief Electrician, from \$2580 to \$2760 per annum, and the salary of Charles Koenig, First Assistant Engineer, from \$2400 to \$2580 per annum; the Committee recommending approval.

Approved.

Memorandum dated May 27th from Counsel, suggesting that the Board publish in the complete edition of its Annual Report for 1923, the decision rendered by the Supreme Court of the United States, on April 28, 1924, in the so-called Burnes National Bank case; Counsel's recommendation being approved by the members of the Law Committee.

Approved.

Memorandum from Counsel dated May 28th, submitting draft of a letter to the Governors and Chairmen of all Federal Reserve banks, advising that in future all requests for rulings be addressed to the Board over the signature of the Governor, Chairman or the acting senior officer.

Upon motion, the proposed letter was approved.

Memorandum dated May 28th from the Secretary of the Board, transmitting an order issued by the Secretary of the Treasury that for the period from June 15th, to September 15th all branches of the Treasury Department be closed at 1:00 p.m. on Saturdays, and recommending that the Board on June 15, 1924, begin granting its employees a half holiday on Saturdays and that on other working days it fix the closing hour for its offices at 5:00 p.m. instead of 4:30 p.m., with the understanding that half holidays on Saturdays are to be granted throughout the year.

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Upon motion, it was voted that the Board grant its employees a half holiday on Saturday during the period June 15 to September 15, but that action with regard to the continuance of such half holidays and the extension of the regular working day to 5:00 p.m. be deferred until the Board can secure an expression of opinion on the matter from its employees.

Letter dated May 23rd from the Secretary of the Federal Reserve Bank of Cleveland, advising that the Executive Committee of that bank has established a minimum rate of  $2\frac{3}{4}\%$  on open market purchases.

Noted with approval.

Letter dated May 28th from W. R. Grace and Company's Bank of New York City, requesting authority to accept drafts and bills of exchange up to 100% of capital and surplus after conversion on or about June 15, 1924, into a national banking association under the title "Grace National Bank of New York".

Approved.

Memorandum dated May 21st from General Counsel, submitting draft of a letter to the Federal Reserve Agent at Atlanta, with regard to the application of the Farmers Bank of Canon, Georgia, for withdrawal from membership in the Federal Reserve System and enclosing a suggested form of certificate to be executed by the Superintendent of Banks stating his authority under the laws of the state of Georgia for taking over the Farmers bank and making application for the surrender of its Federal Reserve bank stock.

Upon motion, the proposed letter was approved.

Memorandum dated May 28th from the Secretary of the Board, referring to letter dated May 21st from the Federal Reserve Agent at San Francisco, with



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regard to recent action of the Bank of Italy in absorbing the Long Beach National Bank, Long Beach, California, with its two branches, and consolidating same with branches now operated by the Bank of Italy at that point.

Noted.

Letter dated May 28th from the Secretary of State, quoting a confidential telegram from the American Minister at Stockholm regarding negotiations for a loan by the National City Bank of New York to the government of Sweden.

Noted.

Report of Law Committee on letter dated May 7th from the Deputy Governor of the Federal Reserve Bank of Philadelphia, transmitting and requesting approval of a proposed agreement between the Federal Reserve bank and the First National Bank of Johnstown, Pa., providing for the custody of a sum of Federal Reserve notes in Johnstown to take care of requirements of member banks in that city and vicinity; the Law Committee recommending approval.

Approved.

Telegram dated May 29th from the Cashier of the Federal Reserve Bank of Dallas, advising that the bank desires to close out its Federal Reserve bank note circulation liability and requesting that the Comptroller of the Currency be asked to withdraw the 2% Consols pledged with Treasurer of the United States and that they be forwarded to the Federal Reserve Bank of New York to be held in trust.

After discussion, the Secretary was instructed to ascertain whether the bonds are being forwarded to New York for sale.

Mr. Hamlin then submitted the following resolution:

"WHEREAS, The Federal Reserve Board has learned indirectly that the Directors of the Federal Reserve Bank of Cleveland have leased rooms in the Federal Reserve Bank building for the use of the Republican National Committee during the coming National Convention;

"BE IT RESOLVED, That in the opinion of the Federal Reserve Board such lease should not have been made, as it is likely to establish a precedent which may bring severe criticism upon the Federal Reserve Bank of Cleveland and upon the Federal Reserve System.

"BE IT FURTHER RESOLVED, That a copy of this resolution be sent to the Directors of the Federal Reserve Bank of Cleveland, and that, after the national elections, a circular be sent to each Federal Reserve Bank to the end that leases of part of the premises of the respective Federal Reserve banks shall be not made for the use of any political committee."

At this point, Mr. Miller entered the meeting.

Mr. Hamlin moved adoption of the resolution above quoted.

Mr. Hamlin's motion being put by the chair was carried.

After discussion, Mr. Hamlin moved that notice of the above action be sent to the Federal Reserve Bank of Cleveland under confidential cover.

Carried, Mr. Platt voting "no".

REPORTS OF STANDING COMMITTEES:

- Dated, May 27th, 28th, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.  
Approved.
- Dated, May 29th, 29th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.  
Approved.
- Dated, May 28th, Recommending approval of the application of Mr. Porter Sesnon to serve at the same time as director of the Santa Cruz County National Bank, Santa Cruz, California, and as

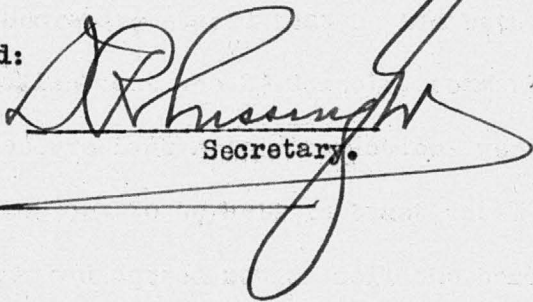
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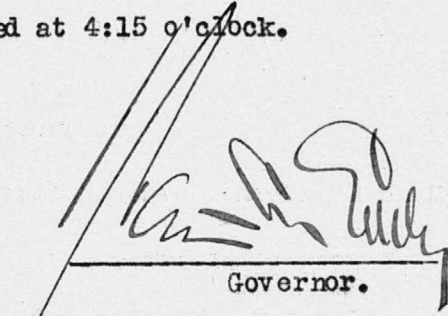
REPORTS OF STANDING COMMITTEES (Cont'd)

employee of the Crocker National Bank,  
San Francisco, California.  
Approved.

The meeting adjourned at 4:15 o'clock.

Approved:

  
Secretary.

  
Governor.