

Upon call of the Governor a special meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, June 10, 1924, at 3:10 p.m.

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

The Law Committee reported on the matter referred to it at the meeting this morning, namely, letter dated June 10th from the Under Secretary of the Treasury, advising that as the result of the failure of Congress to pass the Treasury's deficiency bill it has been obliged to withdraw temporarily the authorization to the Federal Reserve banks to carry on exchanges, replacements and redemption of United States paper currency for it. The Committee submitted draft of a reply to the Under Secretary's letter, stating that the Board assumes he has notified the Federal Reserve banks of the withdrawal of this authority, and further, that in view of the withdrawal the Federal Reserve banks will have to discontinue exchanging, redeeming and replacing United States paper currency as fiscal agents until this function is restored, since it is purely a governmental function which the Federal Reserve banks can no longer legally perform.

After discussion, the proposed letter to the Under Secretary of the Treasury was approved.

The Committee also submitted draft of a circular telegram and a circular letter of confirmation to all Federal Reserve banks, advising of the receipt of the Under Secretary's letter and stating that upon withdrawal of the currency function by the Treasury, the Federal Reserve banks should discontinue exchanging, replacing and redeeming United States paper currency as fiscal agents until

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this function is restored, since it is purely a governmental function which the Federal Reserve banks can no longer perform and suggesting that the Federal Reserve banks so advise applicants for exchanges, replacements and redemptions; - meeting demands for one dollar notes arising out of ordinary banking transactions by paying out such bills as they have on hand, irrespective of the standard of their fitness, and by paying out standard silver dollars.

After discussion the proposed telegram and letter to the Federal Reserve banks were approved.

Draft of letter to all Federal Reserve Agents, advising that the recent modification of the bankers' blanket bonds of the Federal Reserve banks so as to include Federal Reserve Agents, their assistants and employees, does not obviate the necessity of individual surety bonds for Federal Reserve Agents and Assistant Federal Reserve Agents running to the United States.

Approved.

Mr. Platt announced that he had increased the salary of his Secretary, Mr. Joseph L. Durland, from \$2800 to \$2900 per annum, effective June 1, 1924.

Approved.

Draft of reply to telegram dated June 10th from the Chairman of the Federal Reserve Bank of Atlanta, with regard to negotiations between the Georgia National Bank of Albany, Georgia, and the Citizens First National Bank of Albany, whereby the former institution would take over the latter; the proposed telegraphic reply stating that the Board would interpose no objection to the negotiations as the matter is one which comes within the province of the Comptroller of the Currency and not the Federal Reserve Board.

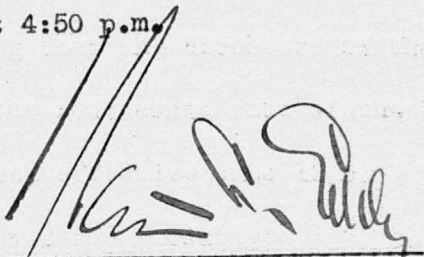
Upon motion, the proposed reply was approved.

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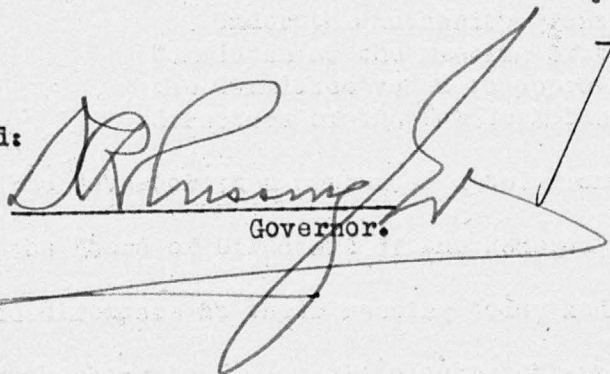
Memorandum from Counsel dated June 9th, submitting draft of a circular letter to the Chairmen and Governors of all Federal Reserve banks on the subject "Announcements of Rate Changes".

Ordered circulated.

The meeting adjourned at 4:50 p.m.

  
Secretary.

Approved:

  
Governor.