

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, June 18, 1924, at 11:15 a.m.

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

The minutes of the meetings of the Federal Reserve Board held on June 17th were read and approved.

The Governor submitted a telegram dated June 18th from the Chairman of the Board of Directors of the Federal Reserve Bank of Philadelphia, reading as follows:

"At meeting of our Board of Directors held today the rediscount rate for all paper of maturities of ninety days or less was established at $3\frac{1}{2}\%$ and for all maturities in excess of that $4\frac{1}{2}\%$ which action is submitted to you for your consideration".

After discussion as to the advisability of the Federal Reserve Bank of Philadelphia setting up a differential rate against paper of six months' maturity and maintaining a differential rate against paper maturing after six months, the Governor asked for an expression from the individual members of the Board as to what the Board's policy should be with respect to all banks establishing flat rates on paper of all classes and maturities. The members recorded themselves as follows - Governor Crissinger, Mr. Hamlin, Mr. James, and Mr. Cunningham favoring a flat rate on all paper of all maturities and Mr. Platt and Mr. Miller favoring a differential rate or rates on paper maturing after ninety days.

Mr. Cunningham then moved that the Board review the rate schedule submitted by the Philadelphia bank and fix for it a flat rediscount rate of $3\frac{1}{2}\%$ for all paper of all maturities.

Mr. Cunningham's motion being put by the chair the members voted as follows:

Governor Crissinger, "aye"
 Mr. James, "aye"
 Mr. Cunningham, "aye"
 Mr. Platt, "no"
 Mr. Hamlin, "no"
 Mr. Miller, "no"

The vote being a tie, Mr. Cunningham's motion was declared lost.

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Mr. Platt then moved that the following telegram be sent to the Chairman of the Board of Directors of the Federal Reserve Bank of Philadelphia:

"Your telegram 18th. Board approves reductions of rates voted by your directors on paper of ninety days' maturity and less and on paper of longer maturities than six months, but without at this time discussing the question of the advisability of any differential, the Board feels that you should not leave in effect a differential as great as 1% and believes that your Board should reconsider the matter at its next meeting.

Mr. Platt's motion being put by the chair was lost, Mr. Platt voting "aye".

Mr. James then moved that the Chairman of the Board of Directors of the Federal Reserve Bank of Philadelphia be advised that the Federal Reserve Board approves the proposed rate of $3\frac{1}{2}\%$ fixed by the directors of the bank on paper with maturities up to and including ninety days but does not approve proposed rate on paper of longer maturities".

Mr. James' motion being put by the chair was carried, the members voting as follows:

Mr. Platt, "aye"
Mr. Hamlin, "aye"
Mr. James, "aye"
Mr. Cunningham, "aye"
Governor Crissinger, "no"
Mr. Miller, "not voting"

The Governor then presented the matter ordered circulated at the meeting on June 10th, namely, report of the Committee on Branches on the subject "Policy of the Board in the matter of the Establishment of Branches of Federal Reserve Banks".

Upon motion, it was voted that the report of the Committee on Branches be laid on the table, Mr. James voting "no".

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Letter dated June 16th from the Chairman of the Federal Reserve Bank of Atlanta, explaining the reasons which actuated the directors of the bank in voting at their last meeting to reduce their rediscount rate.

Ordered circulated.

Memorandum dated June 17th from General Counsel, with regard to the application of the Guaranty Bank and Trust Company of Memphis for the surrender of stock in the Federal Reserve Bank of St. Louis, and cancellation of its membership; Counsel's memorandum stating that if the bank desires to withdraw from membership it must do so in the regular way after six months' written notice to the Board.

Upon motion, the position taken in Counsel's memorandum was approved.

REPORTS OF STANDING COMMITTEES:

Dated, June 17th, Recommending changes in stock at Federal Reserve banks, as set forth in the Auxiliary Minute Book of this date.

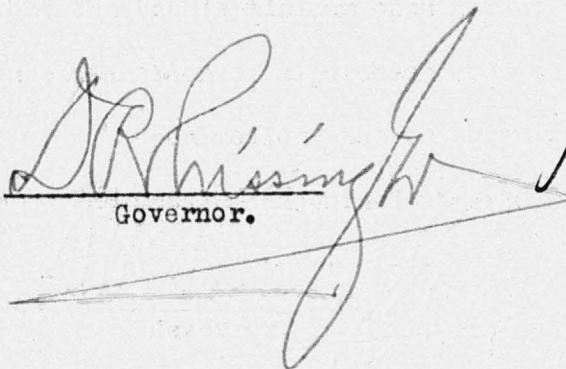
Approved.

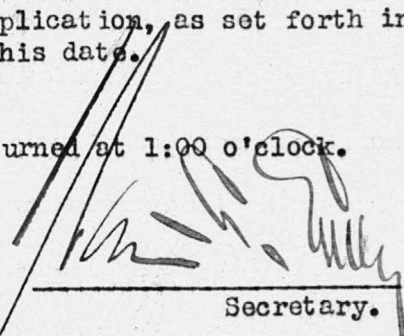
Dated, June 18th, Recommending action on application for admission of state bank, subject to the conditions stated in the individual reports attached to the application, as set forth in the Auxiliary Minute Book of this date.

Approved.

The meeting adjourned at 1:00 o'clock.

Approved:


Governor.


Secretary.