

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, June 24, 1924, at 11:20 a.m.

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

PRESENT ALSO: Governor Strong, Federal Reserve
Bank of New York

The minutes of the meeting of the Federal Reserve Board held on the morning of June 19, 1924, were read and approved as amended.

Governor Strong then advised the Board that the Federal Reserve Bank of New York had recently gone over the figures as to the cost of its bank building and had revised the estimated cost to complete the building. He stated, however, that the revised estimate would not be incorporated in the regular bank premises report to the Board for the quarter ending March 31, 1924, and that it would not appear until the September 30th report was made up.

Governor Strong then reported to the Board the circumstances surrounding a recent defalcation on the part of an employee in the Securities Custody Department of the bank. He advised that as a result of investigations following the shortage the Chief of the Department would be transferred to another department of the bank and given a reasonable time in which to secure other employment and that eight employees of the Department would also be dismissed, not because of collusion in the theft but because of negligence in the conduct of their duties and lack of disposition to cooperate in the investigation made to determine responsibility for the theft.

Governor Strong then discussed with the members of the Board at some

6/24/24

549

length (1) the action of the directors of his bank in voting to pay the usual semi-annual dividend partly from the bank's surplus; (2) the desire of the directors of the Federal Reserve Bank of Philadelphia to invest in government securities up to the capital and surplus of the bank; and (3) a memorandum dated June 20th from the Chief of the Board's Division of Bank Operations regarding the proposed plan for reapportioning future purchases of government securities and bills among the twelve Federal Reserve banks.

After discussion, the proposed plan was referred back to the Board's Committee on Discount and Open Market Policy for a formulation of principles upon which the Board could base its suggestion for the reapportionment of open market purchases.

At this point, Governor Strong left the meeting.

The minutes of the meeting of the Federal Reserve Board held on the afternoon of June 19, 1924, were read and approved as amended.

The minutes of the meeting of the Federal Reserve Board held on June 21st were read and approved.

Draft of a memorandum to the Commissioner of Public Debt suggesting approximately \$500,000 as a tentative estimate of franchise taxes to be paid by the Federal Reserve banks at the end of the year 1925.

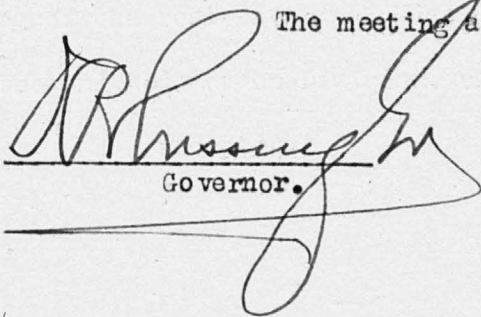
Approved.

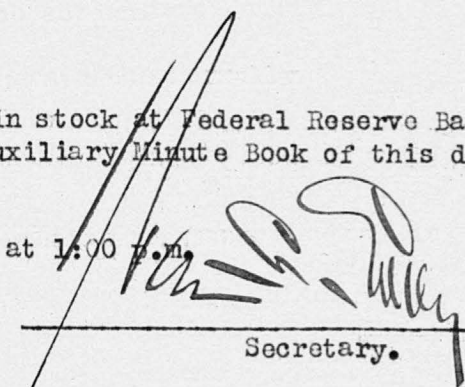
REPORTS OF STANDING COMMITTEES:

Dated, June 21st,	Recommending changes in stock at Federal Reserve Banks,
23rd,	as set forth in the Auxiliary Minute Book of this date.
24th,	Approved.

The meeting adjourned at 1:00 p.m.

Approved:


Governor.


Secretary.