

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, July 15, 1924, at 3:00 p.m.

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

The minutes of the meeting of the Federal Reserve Board held on July 1st were read and approved.

The minutes of the meetings of the Executive Committee of the Federal Reserve Board held on July 2nd, 7th and 11th were read and approved.

Memorandum dated July 11th from the Assistant Secretary, recommending that the salary of Mr. Robert W. Benner, clerk in the Gold Settlement Division, be increased from \$1500 to \$1800 per annum, effective August 1, 1924; the recommendation being approved by the Committee on Salaries, Expenditures and Efficiency.

Approved.

Memorandum dated July 11th from the Director of the Division of Research and Statistics, recommending that the salary of Miss Dale E. Hoffman be increased from \$1525 to \$1700 per annum, effective July 1st; the increase being approved by the Committee on Salaries, Expenditures and Efficiency.

Upon motion, it was voted to approve the increase recommended for Miss Hoffman, effective July 15, 1924.

Memorandum dated July 11th from the Director of the Division of Research and Statistics, transmitting the resignation of Mrs. Margaret T. Hammond, as statistical clerk, effective August 15, 1924.

Accepted.

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Report of Committee on Salaries, Expenditures and Efficiency on letter dated July 11th from the Federal Reserve Agent at Richmond, stating that he will dispense with the services of Assistant Federal Reserve Agents R. H. Lee of the head office and C. N. Duley of the Baltimore branch, and requesting permission to give these employees three months' notice; the Board's Committee recommending approval.

Approved.

The Governor then presented the matter held over at the meeting of the Executive Committee on July 11th, namely, telegram dated July 10th from the Chairman of the Federal Reserve Bank of Dallas, requesting approval of the action of the Executive Committee of that bank in voting to reduce the rediscount rate from $4\frac{1}{2}\%$ to 4% on all classes of paper of all maturities.

Upon motion, it was voted to approve the reduction effective immediately.

Letter dated July 10th from the Governor of the Federal Reserve Bank of New York, enclosing copy of a letter addressed by him to the Comptroller of the Currency, referring to recent action by the directors of his bank with regard to increased charges for reports of examinations of national banks furnished by the Comptroller to the Federal Reserve banks.

Noted.

The Governor then presented the matter ordered circulated at the meeting on July 1st, namely, memorandum from Counsel dated July 1st on the subject "Increased Charges by the Comptroller of the Currency for Furnishing Copies of Examination Reports to Federal Reserve Banks".

Mr. Hamlin then moved adoption of the following resolution submitted by him at the meeting on July 1st:

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"Counsel having advised the Board that there is no law requiring the Comptroller of the Currency to furnish copies of examination reports to Federal Reserve banks and that Federal Reserve banks may lawfully purchase such copies from the Comptroller;

Be It Resolved, that the Federal Reserve Board has no objection to the purchase of such copies by Federal Reserve banks at prices to be agreed upon from time to time between the banks and the Comptroller".

Carried, Mr. Miller voting "no".

Mr. Miller then stated that he would file in the records of the Board a statement in explanation of his vote.

Memorandum dated July 11th from the Director of the Division of Research and Statistics, with regard to letter dated June 26th addressed to him by the Manager of the Bank Relations Department of the Federal Reserve Bank of Chicago with reference to a Federal Reserve System exhibit for the convention of the American Bankers Association to be held in Chicago September 29th to October 3rd; the Director of the Division stating that in his judgment it would be better for the Chicago bank not to have an exhibit at the convention.

Referred to the Executive Committee with power.

Letter dated July 11th from the Federal Reserve Agent at Philadelphia, advising of his intention of taking a month's vacation beginning about August 4th.

Noted without objection.

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Letter dated July 9th from the Federal Reserve Agent at San Francisco, inquiring as to any action taken by the Board on the applications of the Bank of Italy for permission to establish branches at Santa Ana and El Centro.

Referred to the Committee on Examinations.

Report of Law Committee on matter referred to it at the meeting on July 11th, namely, letter dated July 9th from the Acting Chief Inspector of the Post Office Department with reference to the Peoples Reserve System, Inc. of Chicago, Illinois; the Committee recommending that the Board take no further action in the matter of securing a change in the name of the corporation.

Upon motion, the letter from the Post Office Department was ordered filed without action.

The Governor then presented the matter ordered circulated at the meeting on June 30th, namely, memorandum from Counsel dated June 25th, submitting a new edition of the Board's Regulations - Series of 1924.

Upon motion, it was voted to adopt and print the Regulations in the form submitted by Counsel.

Memorandum dated July 15th from the Committee on Cuba, calling attention to an excerpt from the minutes of the meeting of the directors of the Federal Reserve Bank of Atlanta held on June 13th with reference to the contemplated purchase by the Federal Reserve Bank from a member bank in the 6th District of bills bearing the endorsement of the National City Bank of New York; the Committee suggesting that the Board inquire as to the character

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of the bills which the Atlanta bank desires to acquire.

Upon motion, the recommendation of the Committee was approved.

Telegram dated July 11th from the Governor of the Federal Reserve Bank of Dallas, inquiring whether the Board has taken any action on his verbal request for permission to sell 2% consols of the bank now held in trust by the Federal Reserve Bank of New York.

Mr. Miller expressed the opinion that Federal Reserve banks should not engage in transactions in circulation bonds merely for the sake of profit and that if the Federal Reserve Bank of Dallas wishes to sell any of its holdings of such bonds, it might be better for one of the other Federal reserve banks to take over the bonds and carry them. He stated he would discuss the subject at the meeting of the Open Market Investment Committee to be held in Boston tomorrow.

The Governor then referred to the Regulations adopted by the Board on January 18th, with reference to directors of branch Federal Reserve banks and expressed the opinion that the Regulation should provide that reappointments should only be made when requested by the directors of a Federal Reserve bank.

Upon motion, it was voted to refer this suggestion to the Committee on Branches for consideration.

Report of Committee on Branches on letter dated July 11th from the Chairman of the Federal Reserve Bank of Atlanta, requesting approval of the action of the directors of that bank in authorizing the purchase of a building site in Birmingham at the corner of Fifth Avenue and

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Eighteenth Street, north, at a price of \$125,000; the Board's Committee recommending approval of the action of the Atlanta directors.

Approved, Governor Crissinger voting "no".

Letter dated July 12th from the Associate Editor of the American Bankers Association Journal calling attention to an article in the Journal of Commerce of July 12th, regarding the elimination of free services performed by Federal Reserve banks.

Referred to the Governor for reply.

The Governor then presented the report, dated June 16, 1924, of the Committee on Voluntary Services assumed by Federal Reserve banks on "Currency and Coin Operations - Safe Keeping of Securities - and Transfers of Funds", free services performed by the Federal Reserve banks for their member banks; the Committee recommending that the Federal Reserve banks continue for the present to perform these services without charge to their member banks.

Mr. Hamlin moved approval of the recommendations of the Governors Committee.

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

Mr. Hamlin, "aye"
Mr. James, "aye"
Mr. Dawes, "aye"
Governor Crissinger, "no"
Mr. Miller, "no"

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Mr. Miller then discussed with the members of the Board the desirability of authorizing Dr. Stewart, Director of the Division of Research and Statistics, and Mr. Robert Warren, an employee of the Division, to attend the Institute of Politics at Williamstown, Massachusetts, on International Finance. Mr. Miller then submitted the following motion:

"That Dr. Stewart be authorized to go to Williamstown at his convenience and on arrangement with the Institute, to take part in the discussions on reparations but that he must make it clear that he is not speaking as a representative of the Board and must confine himself to questions of fact and that the Board will assume his travel and per diem expenses; and further, that Mr. Warren be notified that the Board will assume the expense to him of a trip to Williamstown but that the time involved must be charged against his regular leave. "

Carried.

Mr. Miller then discussed informally with the members of the Board probable action at the meeting of the Open Market Investment Committee to be held in Boston tomorrow, following which Mr. Hamlin moved:

"That Mr. Miller be requested to ascertain whether the Committee thinks it is desirable to increase the total volume of open market purchases under the present policy, and if so, to request the Committee to make a recommendation as to the amount to which such investments should be increased, for action by the Board."

Carried.

REPORTS OF STANDING COMMITTEES:

- Dated, July 14th, Recommending changes in stock at Federal Reserve Banks,
15th, as set forth in the Auxiliary Minute Book of this date.
Approved.
- Dated, July 15th, Recommending action on applications for fiduciary powers
15th, as set forth in the Auxiliary Minute Book of this date.
Approved.

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, July 14th, Recommending approval of the application of Mr. Henry C. Biddle to serve at the same time as director of the First National Bank, Ambler, Pa. and as director of the Norristown-Penn Trust Company of Norristown, Pa.

Approved.

Dated, July 14th, Recommending approval of the application of Mr. Horace C. Jones to serve at the same time as president of the First National Bank, Conshohocken, Pa., and as director of the Norristown-Penn Trust Company of Norristown, Pa.

Approved.

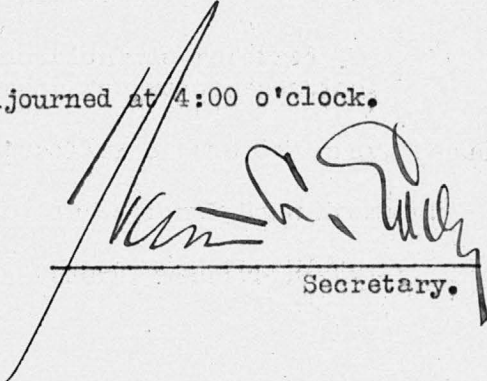
Dated, July 14th, Recommending approval of the application of Mr. Charles F. Broughton to serve at the same time as director of the First National Bank, New Bedford, Mass., and as director of the Second National Bank, Boston, Mass.

Approved.

Dated, July 11th, Recommending approval of the application of Mr. Ralph L. Jurden to serve at the same time as director of the First National Bank, Wellston, Missouri, and as director of the Union and Planters Bank and Trust Company, Memphis, Tenn.

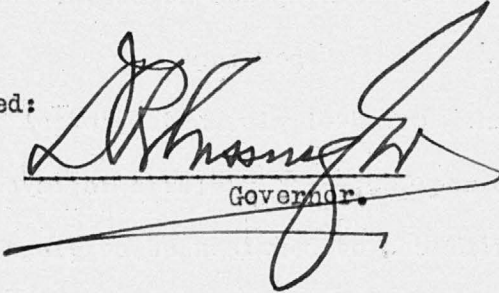
Approved.

The meeting adjourned at 4:00 o'clock.



Secretary.

Approved:



Governor.