

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, August 19, 1924, at 11:00 o'clock.

PRESENT: Governor Crissinger
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. Cunningham
Mr. Noell, Assistant Secretary

The minutes of the meeting of the Federal Reserve Board held on August 14th were read and approved.

The Governor presented a telegram dated August 16th from Mr. Monte M. Lemann of New Orleans, stating that because of other connections he is not in position to accept employment in connection with the par clearance suit of the Pascagoula National Bank against the Federal Reserve Bank of Atlanta without embarrassment. At this point, Mr. Wyatt, the Board's General Counsel was called into the meeting and discussed with the members of the Board the status of the case and the steps which should be taken in defending same.

After discussion, Mr. Hamlin suggested that Mr. Wyatt go to New York to confer in the matter with Mr. Angell and report a complete program to the Board at the meeting on Thursday, August 21st.

Report of Committee on Examinations on letter dated August 12th from the Federal Reserve Agent at San Francisco, transmitting and recommending approval of the application of the Pacific Southwest Trust and Savings Bank of Los Angeles for permission to move its branch located at 729 West Ninth Street, Los Angeles, to 858 South Figueroa Street, Los Angeles; the Board's Committee also recommending approval.

Approved.

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Letter dated August 18th from the Governor of the Federal Reserve Bank of New York, suggesting that the next meeting of the Open Market Investment Committee be held in Chicago on Friday, October 24th and that the joint conference of Governors and Federal Reserve Agents be held in Washington the week commencing Monday, October 27th, or beginning November 11th.

After discussion it was voted that the conference of Governors and Federal Reserve Agents should be held during the week beginning November 10th, but that no date should be set at this time for the next meeting of the Open Market Committee.

Memorandum dated August 15th from the Assistant Secretary requesting authority to grant Miss Miriam E. Holmes, stenographer in the Chief Clerk's Office, two months' leave of absence without pay on account of her health, and also to employ a stenographer to cover the temporary vacancy at a salary of not to exceed \$1500 per annum.

Approved.

Memorandum dated August 18th from General Counsel recommending that there be published in the forthcoming issue of the Federal Reserve Bulletin the text of the Board's new regulations, Series of 1924, which will become effective on September 1st.

Approved.

Report of Committee on Branches on letter dated August 4th from Mr. M. C. Elliott, with regard to the application filed in 1921 for the establishment at Wilmington, N. C. of a branch of the Federal Reserve Bank of Richmond; the Committee submitting form of letter to the Chairman of the Federal Reserve Bank of Richmond, requesting to be advised of the status of the application and of the procedure which will be followed in acting

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upon several new applications for a branch which it is expected will be filed prior to September 1st.

Upon motion the proposed letter was approved.

Report of Law Committee on matter referred to it at the meeting on August 14th, namely, letter dated August 8th from Philip S. Pugh of Crowley, Louisiana, enclosing a copy of a petition addressed to the New Orleans branch of the Federal Reserve Bank of Atlanta, for assistance in connection with the Bank of Iota, Louisiana, a closed member bank; the Law Committee submitting draft of a letter to the Federal Reserve Agent at Atlanta requesting a complete report on the situation referred to.

Upon motion, the proposed letter was approved.

The Law Committee then reported on the matter referred to it at the meeting on August 14th, namely, memorandum dated August 14th from the Assistant Secretary with regard to the absorption of the Progressive State Bank of Winfield, Kansas, a non-member bank, by the State Bank of Winfield, a member bank, without the Board's permission having first been secured ; the Committee submitting the memorandum from Counsel stating that this action of the State Bank of Winfield was a violation of its condition of membership and the Board's regulations and subjected it to expulsion from the Federal Reserve System, but recommending that the Board first obtain a full report from the Federal Reserve Agent at Kansas City as to the circumstances surrounding this action and as to the condition of both banks involved.

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After discussion, it was voted to approve Counsel's recommendation that the Federal Reserve Agent at Kansas City be requested to make a full report to the Board.

Memorandum dated August 18th from the Assistant Secretary, summarizing letters received from the members of the Committee on Voluntary Services, with regard to the ruling adopted by the Board at the meeting on August 1st that Federal Reserve banks should not handle telegraphic transfers for member banks over commercial wires where the member banks charge their customers a fee in excess of the actual cost of the telegrams.

Ordered circulated.

Report of Law Committee on letter dated July 24th from the Governor of the Federal Reserve Bank of New York, referring to the Board's letter of July 15th (X-4116), advising that the Board has no objection to the purchase by Federal Reserve banks of copies of reports of examinations of national banks at prices to be agreed upon from time to time between the banks and the Comptroller; Mr. Platt stating that it seems to him Governor Strong's argument against the arrangement is sound and that the law pretty clearly implies that Federal Reserve banks should have the benefit of examinations by the Comptroller; and Mr. Hamlin taking the position that while this is true it does not mean that the Federal Reserve banks are entitled to copies free of charge, and that the price is a matter to be determined between the banks and the Comptroller unless some one of the Federal Reserve banks directly raises the question of reasonableness at which time the Board should take up the matter.

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Mr. Miller moved that the Board inform Governor Strong that it thinks his arguments against the reasonableness of the charge imposed by the Comptroller of the Currency for furnishing copies of reports are well stated and that the Board will send a copy of his letter to the Comptroller with its concurrence.

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

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

Mr. Hamlin then moved that the Board request Counsel to advise whether, as a matter of law, the Comptroller of the Currency has the right to charge Federal Reserve banks for copies of reports furnished to them more than the actual cost of preparing the copies.

Carried.

The Governor then stated that Assistant Secretary of the Treasury Dewey had called on him and had outlined the plan of the Treasury Department to place standard silver dollars in circulation and suggested that the Federal Reserve banks assume the expense of distributing the silver dollars.

Upon motion, it was voted to refer to Counsel the question of the right of the Federal Reserve banks to assume such an expense.

Report of Law Committee on letter dated August 9th from the President of the Fifth-Third National Bank of Cincinnati, with regard to certain amendments to the McFadden bill; the Committee stating that it does not approve the proposed amendments.

Upon motion, the letter was ordered circulated.

Mr. Miller then stated that in his opinion the matter of a revision of the National Bank Act ought to be one of the topics on the program of the forthcoming Governors' conference.

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Letter dated August 9th from the Assistant Federal Reserve Agent at San Francisco, with regard to the application of the Bank of America, Los Angeles, for admission into the Federal Reserve System; the Assistant Federal Reserve Agent calling attention particularly to the proposed consolidation of the applicant with the Commercial National Bank of Los Angeles.

Referred to the Committee on Examinations.

Memorandum dated July 29th from General Counsel on the subject "Right of the Undersecretary of the Treasury to Serve as a Member of the Federal Reserve Board During the Absence of the Secretary of the Treasury".

Ordered circulated.

Mr. Miller then referred to the telegram from Mr. Monte M. Lemann, mentioned above, and moved, with reference to the motion adopted by the Board at the meeting on August 14th, that in the event Mr. Lemann was not retained in the Pascagoula case the Governor be instructed to make inquiries and recommend to the Board other special Counsel.

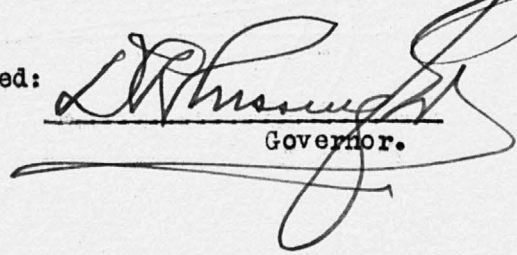
Mr. Miller's motion being put by the chair was carried.

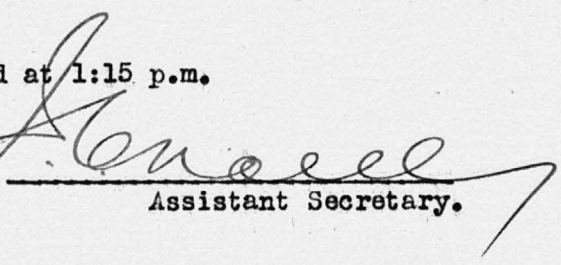
REPORTS OF STANDING COMMITTEES:

Dated, August 15th, Recommending changes in stock at Federal Reserve Banks, 18th, as set forth in the Auxiliary Minute Book of this date.
Approved.

The meeting adjourned at 1:15 p.m.

Approved:


Governor.


Assistant Secretary.