A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, August 22, 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 meetings of the Federal Reserve Board held on August 21st were read and approved.

Telegram dated August 21st from the Chairman of the Federal Reserve Bank of San Francisco, requesting approval of the action of the directors of that bank in voting to establish a rediscount rate of $3\frac{3}{2}\%$ on all classes of paper of all maturities, effective August 25th.

Mr. Miller moved approval of the rate effective August 25th, advice to the Federal Reserve Bank of San Francisco and notice to the other Federal Reserve banks to be sent out tomorrow.

Carried.

Letter dated August 20th from the Secretary of the Federal Advisory Council, inquiring as to the topics which the Board would like discussed at the next meeting of the Federal Advisory Council, to be held on Thursday, September 25th.

Referred to the Executive Committee.

Report of Committee on Discount and Open Market Policy summarizing comments received from the Federal Reserve banks on the Board's letter of June 14th, X-4089, advising of the tentative adoption of rules and regulations governing the announcement of rate changes; the Committee submitting draft of a circular letter to all Federal Reserve banks advising of the
final adoption of the following rules and setting forth new code words to be used in messages relating to rate changes:

"(1) All telegraphic communications dealing with rate changes shall be in code.

(2) No information of any kind with respect to any rate change shall be published until the Federal reserve bank in question shall have been advised that such change has been approved by the Federal Reserve Board. Directors and officers of Federal reserve banks are cautioned to refrain from discussing prospective and actual rate changes other than with those connected with the Federal Reserve System.

(3) Announcements of rate changes which have been approved shall be made as nearly as possible simultaneously by the Federal reserve bank concerned and the Federal Reserve Board and such announcements shall be made immediately after the close of business at the bank concerned on the day on which the rate change was approved and not sooner.

(4) The new rate shall be effective at the beginning of the first business day following the day on which the announcement of the change was made.

(5) In view of the dual capacity of the Federal Reserve Agent as Chairman of the Board of Directors of the Federal reserve bank and as local representative of the Federal Reserve Board, all public announcements with respect to rate changes on the part of the Federal reserve bank shall be made by him and he will be held strictly responsible for compliance with these rules and regulations. Notices to member banks may be sent out over the signature of the Governor as heretofore.

(6) All announcements to other Federal reserve banks with respect to such rate changes shall be made by the Federal Reserve Board.

Upon motion by Mr. Hamlin, the rules recommended by the Committee were adopted and the letter ordered transmitted.

Letter dated August 19th from the Federal Reserve Agent at San Francisco, transmitting letter addressed to him by the President of the American Bank of San Francisco, requesting a two months' extension of time in which to establish branches approved by the Board and setting forth reasons why the
branches cannot be established within the period of six months permitted by the Board's regulations.

Upon motion, it was voted to grant the American Bank of San Francisco the extension requested.

Report of Committee on Examinations on letter dated August 12th from the Assistant 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 purchase the First National Bank and the Fullerton Commercial and Savings Bank, both of Fullerton, California and to establish a branch or branches at that point; the Board's Committee also recommending approval.

Approved.

Memorandum from Counsel on letter dated August 2nd from the Federal Reserve Agent at Kansas City, outlining new arrangements for the performance and payment of notarial work at the Federal Reserve bank and its branches; Counsel raising no legal objection to the arrangements proposed.

Upon motion it was voted to interpose no objection to the Federal Reserve Bank of Kansas City putting the arrangements into effect.

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 to the Federal Reserve System; the letter having been noted by the Committee on Examinations, to which it was referred at the meeting on August 19th.

Noted.
Letter dated August 9th from the Assistant Federal Reserve Agent at San Francisco, enclosing copy of report by Assistant Chief Examiner Moore with reference to the Board's letter of July 30th, concerning the recent examination of the American Bank of Oakland, the American Bank of San Francisco and the First National Bank of Oakland, made in connection with the application of the American Bank of San Francisco for permission to acquire banks in San Leandro for the purpose of establishing branches; the correspondence being noted by the Committee on Examinations to which it had been referred by the Governor.

Noted.

At this point, Mr. Hamlin left the meeting.

After further discussion of the case of the Pascagoula National Bank versus the Federal Reserve Bank of Atlanta, et al, with particular relation to the employment of special counsel, Mr. Miller moved that the members of the Law Committee attend a meeting to be held at the Federal Reserve Bank of New York at 10:00 o'clock on Tuesday morning, in the matter of selecting special counsel.

Carried.

REPORTS OF STANDING COMMITTEES:

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

Dated August 22nd, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date. Approved.
REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, August 22nd, 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 12:15 o'clock.

Approved:

[Signature]

Assistant Secretary.

[Signature]

Governor.