

Upon call of the Governor, a meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, September 5th at 11:15 a.m.

PRESENT: Governor Crissinger  
 Mr. Hamlin  
 Mr. Cunningham  
 Mr. Dawes  
 Mr. Eddy, Secretary

The minutes of the meeting of the Federal Reserve Board held on August 22nd were read and approved.

The minutes of the meeting of the Executive Committee held on August 29th were read and approved.

The Governor then reported that following the conference in New York last week, attended by himself and the members of the Law Committee, Mr. Newton D. Baker of Cleveland, Ohio, had been retained to represent the Board in the case of the Pascagoula National Bank of Mosspoint, Mississippi, versus the Federal Reserve Bank of Atlanta, et al. The Governor stated that all banks would be advised of this selection and that in accordance with action taken at the meeting on August 21st he would request the Federal Reserve Bank of Atlanta to designate Mr. Baker to act as special counsel in defending the suit against the bank.

Memorandum dated August 29th from Assistant Counsel, recommending that the Board grant L. C. Berry, messenger in that office, a leave of absence without pay for sixty days beginning October 7th.

Approved.

Memorandum dated August 29th from Assistant Counsel, requesting

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authority to purchase for use in the Law office a copy of Simkins Federal Practice.

Approved.

Memorandum dated September 3rd, from the Comptroller of the Currency, recommending approval of the application of the First National Bank of Frederick, Okla., for permission to reduce its capital stock from \$100,000 to \$75,000; the entire amount of the reduction to be applied to removing worthless and doubtful assets and no part to be returned to the shareholders in cash.

Approved.

Letter dated September 4th from the Secretary of the Open Market Investment Committee for the Federal Reserve System, enclosing schedule showing revised ratios of participation of Federal Reserve banks in purchases of government securities and bankers acceptances during the month of September.

Ordered circulated.

Letter dated August 27th from the Governor of the Federal Reserve Bank of New York, advising that it is proposed to hold the next meeting of the Open Market Investment Committee in Chicago on October 24th.

Noted.

Letter dated August 29th from the Chairman of the Federal Reserve Bank of Kansas City, advising of the acceptance on August 28th of the resignation of Mr. George E. Abbott, director of the Omaha branch.

Noted.

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Letter dated August 29th from Deputy Governor Case of the Federal Reserve Bank of New York, with regard to the arrangement discussed with Governor Crissinger and Mr. Hamlin for an extension of two or three weeks in the leave of absence granted Mr. Jay.

Upon motion, the extension in Mr. Jay's leave of absence was ratified.

Letter dated September 3rd from the Governor of the Federal Reserve Bank of New York, requesting approval of the action of the Executive Committee of that bank in voting to extend from September 1st to September 15th the leave of absence with full pay previously granted Deputy Governor Harrison.

Approved.

Memorandum dated August 29th from Assistant Counsel, recommending approval of a telegram to all Governors and Federal Reserve Agents advising that whenever January 1st, February 22nd, July 4th or December 25th falls on Sunday the Board will approve the following Monday as a holiday for all Federal Reserve banks and branches.

Upon motion, it was voted that the advice be transmitted to all Federal Reserve banks in letter form.

Draft of letter to Mr. Paul M. Warburg, President of the Federal Advisory Council, advising that the Board has no topics which it desires particularly to have the Council discuss at its next meeting but that the members should come prepared to present their views on the general credit and business outlook in their respective districts.

Approved.



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Report of Committee on Branches on letter dated August 26th, from the Federal Reserve Agent at Chicago, suggesting that the Board's regulations governing directors of Branch Federal Reserve banks be amended to permit the removal of a managing director by the Board of Directors of a parent bank; the Committee recommending that the Board not change its regulations, as the managing director can be removed both as manager and as director by the Board upon the recommendation of the directors of a bank.

Upon motion, the Committee's recommendation was approved.

Letter dated August 29th from the Chairman of the Federal Reserve Bank of Chicago, enclosing a memorandum of various matters to be included in the proposed exhibit during the convention of the American Bankers Association.

Referred to the Director of the Board's Division of Research and Statistics.

Report of Law Committee on letter dated August 16th from the Governor of the Federal Reserve Bank of Boston, with regard to the authority of a Federal Reserve Bank to receive a deposit from the receiver of a national bank; the Committee submitting draft of a reply stating that the Board is inclined to doubt the authority of a Federal Reserve bank to receive such deposits, but that it seems unnecessary at this time to make a definite ruling on the question.

Upon motion, the proposed reply was approved.

Report of Law Committee on matter referred to it at the meeting

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on June 21st, namely, letter dated June 19th from the Secretary of the Federal Reserve Bank of New York quoting a resolution adopted by the directors of that bank on the subject of the Board's ruling that currency in transit may be counted as reserve; the Law Committee recommending that this matter be referred to the next Governors Conference.

Upon motion, it was voted that the question of uniformity in the above matter be made a topic of discussion at the forthcoming conference of Governors.

The Governor then presented a letter dated August 29th from the Chairman of the Federal Reserve Bank of Richmond, with regard to the application of Wilmington, N. C., for a branch of the Federal Reserve Bank of Richmond and its petition for a hearing before the Board; the Chairman advising that the Federal Reserve Bank of Richmond will grant a hearing to the Wilmington applicants and all others. The Governor also presented a letter dated September 2nd addressed to Mr. M. C. Elliott, who requested a hearing before the Board, stating that in his opinion the Board would desire that the Wilmington application be heard first by the Federal Reserve Bank of Richmond.

Upon motion, Governor Crissinger's letter to Mr. Elliott was approved and it was ordered that the Federal Reserve Bank of Richmond be advised of the Board's position.

The Governor then presented the matter ordered circulated at the meeting on August 19th, namely, memorandum dated August 18th from the Assistant Secretary summarizing letters received from the members of the

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Committee on Voluntary Services with regard to Federal Reserve banks effecting telegraphic transfers over commercial wires for member banks which impose an exchange charge therefor on their customers.

Upon motion it was voted that this matter be placed on the program for discussion at the next Governors' conference.

Memorandum from Counsel on the matter referred to him at the meeting on August 14th, namely, memorandum dated August 11th from the Acting Comptroller of the Currency with regard to Mr. F. A. Verdon serving at the same time as a director of five small banks located on Staten Island; Counsel suggesting that the Board advise Mr. Verdon that it will take no administrative action in his case until after the annual election of directors in January 1925, at which time it will require him not to stand for re-election as director of two of the banks.

Upon motion, Counsel's suggestion was approved.

Memorandum dated September 3rd addressed to the Secretary by the Chief of the Board's Division of Bank Operations, recommending discontinuance of the use of tabulating machines in that Division and that the work involved be compiled on comptometer machines, thereby effecting a saving of approximately \$5,000 per annum.

Approved.

Memorandum dated September 4th from Federal Reserve Examiner James L. Buchanan presenting and commenting on reports of examination of the Bank of Central and South America and affiliated institutions operating



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in Costa Rica, Colombia, Nicaragua, Peru and Venezuela.

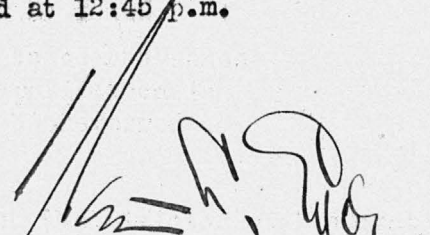
Referred to the Committee on Examinations.

REPORTS OF STANDING COMMITTEES:

Dated, August 29,	Recommending changes in stock at Federal Reserve Banks,
" 30,	as set forth in the Auxiliary Minute Book of this date.
September 3,	Approved.
" 4,	

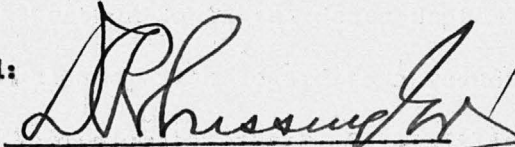
Dated, September 5th, Recommending action on applications for fiduciary  
 5th, powers as set forth in the Auxiliary Minute Book of  
 this date.  
 Approved.

The meeting adjourned at 12:45 p.m.




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Secretary.

Approved:   
 Governor.