

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, October 14, 1924, at 11:30 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on October 9th were read and approved as amended.

Telegram dated October 13th from the Chairman of the Federal Reserve Bank of Minneapolis, advising that the board of directors of that bank on that day voted to establish a rediscount rate of 4% on all classes of paper of all maturities, effective the first business day following that on which approved by the Federal Reserve Board.

Upon motion, it was voted to approve the action of the Minneapolis directors in voting to reduce the discount rate of the bank from  $4\frac{1}{2}\%$  to 4%.

Memorandum dated October 11th from the Secretary advising that under authority granted by the Board on June 25th Mr. Robert W. Cook is being transferred from the Division of Bank Operations to the Division of Examination and appointed an Assistant Federal Reserve Examiner at a salary of \$2400 per annum.

Noted.

Letter dated October 9th from the Comptroller of the Currency, recommending approval of an increase from \$2700 to \$3,000 per annum in the salary of National Bank Examiner Daniel F. Murphy.

Approved.

Letter dated October 9th from the Comptroller of the Currency, recommending approval of an increase from \$2700 to \$3,000 per annum in the salary of

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National Bank Examiner Thomas E. Dooley.

Approved.

Letter dated October 9th from the Comptroller of the Currency, recommending approval of an increase from \$2700 to \$3,000 per annum in the salary of National Bank Examiner Thomas M. Greene.

Approved.

Letter dated October 12th from the Comptroller of the Currency, recommending approval of a salary of \$3600 per annum for National Bank Examiner Don A. Preussner, to be assigned to the 10th Federal Reserve District.

Approved.

Report of Committee on Salaries, Expenditures and Efficiency on letter dated October 6th from the Assistant Federal Reserve Agent at St. Louis, requesting approval of the action of the Executive Committee of that bank in voting to employ Mr. Charles H. Herr as operating engineer for their new building at a salary of \$3,000 per annum, effective about November 1, 1924; the Board's Committee also recommending approval.

Approved.

Memorandum dated October 9th from the Secretary with regard to letter dated October 6th from the Governor of the Federal Reserve Bank of Minneapolis with regard to the request of a St. Paul newspaper for permission to photograph the interior and exterior of the bank's new building; the Secretary stating that there would seem to be no objection to the taking of exterior photographs of the building and photographs of the lobby and of such work rooms as the

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transit department, etc. but recommending that Governor Young be advised that the Board is of the opinion that his bank should follow the Treasury regulations which permit no photographs to be taken of any place where any obligations or other securities of the United States are handled or of any equipment used in any way in connection with the handling of such obligations or securities.

Upon motion, the recommendations of the Secretary were approved.

Draft of letter to the Adjutant General of the Army advising that the Board will not object to Mr. Aubrey B. Carter, one of its employees, accepting an appointment in the Officers' Reserve Corps and will grant him leave of absence at such time and for such period of time each year as he is required to serve in said Reserve Corps.

Approved.

Report of Law Committee on letter dated September 17th from the Governor of the Federal Reserve Bank of Minneapolis, recommending that the Board amend its regulations so as to make eligible for discount or purchase by a Federal Reserve bank, acceptances drawn by an elevator company, secured by regular registered terminal warehouse receipts of the elevator company that draws the draft; the Law Committee submitting memorandum by Counsel stating that there are two points involved in this question: (1) Whether such an amendment to Regulation A, which would render eligible for discount storage acceptances secured by receipts not issued by a party independent of the customer, would conform to relevant provisions of law and could, therefore, be legally made and; (2) Whether as a matter of policy it would be advisable to permit acceptances

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of this character to be discounted by Federal Reserve banks; and recommending that the matter be referred to the Governors' Acceptance Committee for study and recommendation and also be considered at the forthcoming conference of Governors and Federal Reserve Agents.

After discussion, Mr. Miller moved that the matter be referred back to the Law Committee for the preparation of a reply to Governor Young, advising that no immediate change in the regulation is possible in such an important matter, as there is serious doubt as to the power of the Board to amend its regulation in the desired manner and further that there is a very important question of policy involved which it would be well for him to submit for consideration at the forthcoming conference of Governors.

Carried.

Memorandum dated October 8th from Counsel, with regard to letter dated October 1st from the Chairman of the International Acceptance Bank, Inc., submitting a proposal whereby the bank would make a book transfer of \$5,000,000 from its capital to its surplus account; Counsel stating that there is nothing in the plan which is in contravention of the agreement executed by the corporation to qualify its stock for purchase by national banks under Section 25 (a) of the Federal Reserve Act, and that in his opinion, there is no legal objection to the consummation of the plan.

Upon motion, it was voted that the Board interpose no objection to the proposed transfer.

REPORTS OF STANDING COMMITTEES:

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| <p>Dated, September 27th,<br/>October 10th,</p> | <p>Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.<br/>Approved.</p>  |
| <p>Dated, October 3rd,<br/>3rd,<br/>3rd,</p>    | <p>Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.<br/>Approved.</p> |

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, October 3rd, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Ordered held.

Dated, October 10th, 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.

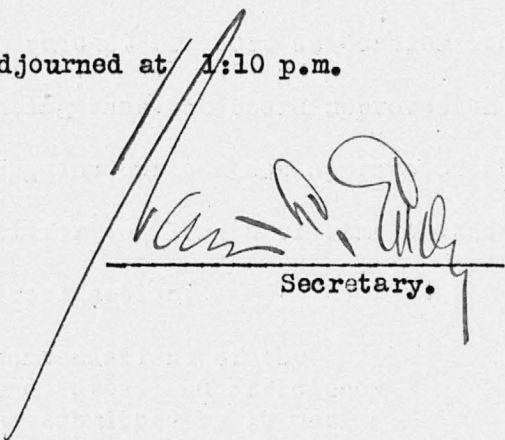
Dated, October 14th, Recommending approval of the application of Mr. Louis F. Butler to serve at the same time as director of the American Exchange National Bank, New York City, as director of the First National Bank, Hartford, Conn., and as director of the First National Bank, Boston, Mass.

Approved.

Dated, October 13th, Recommending approval of the application of Mr. Albert H. Harris to serve at the same time as director of the Guaranty Trust Company, New York City and as director of the First National Bank, Chicago, Illinois.

Approved.

The meeting adjourned at 1:10 p.m.



Secretary.

Approved:

Edmund Platt  
Vice-Governor.