

Upon call of the Governor a meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, October 21, 1924 at 2:30 p.m.

PRESENT: Governor Crissinger  
 Mr. Platt  
 Mr. Hamlin  
 Mr. James  
 Mr. Cunningham  
 Mr. Eddy, Secretary

The minutes of the meeting of the Federal Reserve Board held on October 15th were read and approved.

The Governor presented copy of a telegram sent by him to the Federal Reserve Agent at Minneapolis, calling attention to the fact that the American Council of Agriculture, of which he is Treasurer, is being used for political purposes; together with a reply from the Federal Reserve Agent stating that he will immediately resign as Treasurer of the organization.

After discussion, it was voted that the following telegram be sent to the Federal Reserve Agent at Minneapolis:

"Board gratified to know you will resign from American Council of Agriculture. Suggest advisability of your sending Board for files copy of your communication tendering resignation."

Letter dated October 14th from the Comptroller of the Currency, recommending approval of a salary of \$2700 per annum for National Bank Examiner W. W. Kane, Jr., to be assigned to the 8th Federal Reserve District.

Approved.

Letter dated October 15th from the Comptroller of the Currency, recommending approval of a salary of \$4200 per annum for National Bank Examiner Otis M. Freeman, to be assigned to the 1st Federal Reserve District.

Approved.

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Letter dated October 16th from the Comptroller of the Currency, recommending approval of a salary of \$4,000 per annum for National Bank Examiner W. A. Sandlin, to be assigned to the 11th Federal Reserve District.

Approved.

Letter dated October 10th from Mr. W. B. Newsome, advising that he will be unable to accept reappointment as Class "C" Director and Deputy Chairman of the Federal Reserve Bank of Dallas, should same be tendered to him at the expiration of his present term on December 31, 1924.

Referred to Committee on District #11.

Letter dated October 20th from the Secretary of the Federal Advisory Council, advising that the next meeting of the Council will be held on November 17th.

In this connection, the Governor stated that he had been advised by Mr. Warburg that the meeting would probably be postponed until November 24th.

Telegram dated October 20th from the Federal Reserve Bank at Minneapolis, inquiring whether November 4th, election day, has been approved as a holiday for all Federal Reserve banks; together with draft of a telegraphic reply, advising that the Board has not approved November 4th as a holiday and will expect all Federal Reserve banks to remain open on that day.

Upon motion, the proposed telegram was approved.

Letter dated October 16th from Mr. John Omwake, Director of the Cincinnati Branch of the Federal Reserve Bank of Cleveland, advising that he has been asked to become a member of a local Republican Advisory Committee and stating that if the Board's regulations forbidding directors of Federal

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Reserve banks and branches to hold political office or to serve on political committees apply in this case, he will decline to serve on the Committee.

Upon motion, the Secretary was instructed to advise Mr. Omwake that the Board's regulations apply and that he should not accept appointment to the Committee in question.

Report of Committee on Examinations on memorandum dated October 9th from the Comptroller of the Currency, recommending approval of the application of the First National Bank of Pocasset, Okla., for permission to reduce its capital stock from \$40,000 to \$25,000 on condition that certain voluntary contributions left in special accounts at the time this institution acquired a state bank, together with the amount of the reduction in capital, be used to remove losses and doubtful assets; the Board's Committee also recommending approval.

Approved.

Report of Committee on Salaries, Expenditures and Efficiency on letter dated October 13th from the Chairman of the Federal Reserve Bank of Kansas City, requesting approval of increases from \$2980 to \$3100 per annum in the salaries of L. S. Brittain and J. M. Ewart, Managers of Divisions in the Transit Department of the bank; the Committee stating that there seems to be no reason why these salary adjustments should not be made at the end of the year rather than at this particular time and recommending that approval be deferred.

Upon motion, the recommendations of the Committee on Salaries, Expenditures and Efficiency were approved.

Report of Committee on Salaries, Expenditures and Efficiency on letter dated October 14th from the Chairman of the Federal Reserve Bank of Atlanta, submitting for the Board's approval the action of the directors of that bank



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in voting to abolish the office of Assistant Federal Reserve Agent and Auditor at the Birmingham, Jacksonville and Nashville branches; the Board's Committee recommending approval of this action and recommending further that the Atlanta bank be advised that any arrangement with the Treasury Department for the shipment of currency to these branches should be made through the Board.

Upon motion, the recommendations of the Committee were approved.

Report of Committee on Examinations on letter dated October 10th from the Federal Reserve Agent at Richmond, recommending approval of the application of the Atlantic Exchange Bank and Trust Company of Baltimore for permission to open a branch temporarily at 1032 South Charles Street, later to be moved to 1061 South Charles Street; the Committee also recommending approval.

Approved.

Draft of reply to letter dated October 8th from the Auditor of the First National Bank of Laramie, Wyoming, transmitting further information with regard to the proposal of the bank to act as trustee or agent in negotiating loans to livestock interests in excess of the loan limitations of individual banks in its vicinity; the proposed reply stating that a national bank having trust powers may legally act as trustee or agent under the circumstances stated but that the Board can express no opinion as to the advisability of this plan for the extension of credit nor of the legality of loans made thereunder, as these are matters which properly come within the province of the Comptroller of the Currency.

Upon motion, it was voted that the proposed letter be approved and transmitted to the Federal Reserve Agent at Kansas City, with instructions that he should forward same if the officers of the Kansas City bank are in agreement with the position taken therein.

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Mr. Cunningham then presented the following letter addressed to him by the Federal Reserve Agent at Minneapolis:

"At the meeting of the directors of the bank on Monday last, Mr. George H. Prince made the statement that the directors of the Federal Reserve Bank, of Kansas City, were not in favor of the reduction of the discount rate from  $4\frac{1}{2}\%$  to  $4\%$ , at the time of the reduction; that, according to a statement made to him by Mr. E. F. Swinney, of Kansas City, it was the Federal Reserve Board that brought about the change in the rate.

I did not question Mr. Prince's statement, but I feel that the Board should be advised of Mr. Swinney's statement, which came through Mr. Prince, and if you have any comments that you wish to make to me regarding the matter, I shall be pleased to have you do so.

I am sure that the change in the rate in the Ninth District will be greatly appreciated by the borrowing banks, and I have taken the position that my reason for advocating the change was solely for the purpose of having the discount rate in our District in line with the rates in other agricultural districts.

It was suggested by Mr. F. P. Hixon at the directors' meeting on September 8 that the Kansas City, Dallas and Minneapolis Districts should have a uniform rate, and a conference should be held, or at least the officers of the three banks should take up by correspondence with each other any proposal of a change in the rate in the future.

This suggestion seems to meet with the approval of our directors, and I think it is well worth giving consideration to."

Upon motion, the above letter was referred to the Governor for reply, same to be submitted to the Board before transmittal.

Memorandum dated October 20th from General Counsel, submitting material for publication in the November issue of the Federal Reserve Bulletin.

Approved.

REPORTS OF STANDING COMMITTEES:

Dated, October 15th, Recommending changes in stock at Federal Reserve  
 16th, Banks, as set forth in the Auxiliary Minute Book  
 18th, of this date.  
 20th, Approved.

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, October 21st, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Approved.

Dated, October 21st, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Ordered held.

Dated, October 21st, 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 21st, Recommending approval of the application of Mr. A. F. Hebard to serve at the same time as director of the Scarsdale National Bank, Scarsdale, N.Y. and as director of the Hamilton National Bank of New York City.

Approved.

Dated, October 21st, Recommending approval of the application of Mr. Matthew S. Sloan to serve at the same time as director of the Nassau National Bank, Brooklyn, N.Y., as director of the Peoples Trust Company, Brooklyn, N.Y., and as director of the Irving Bank-Columbus Trust Company, New York City.

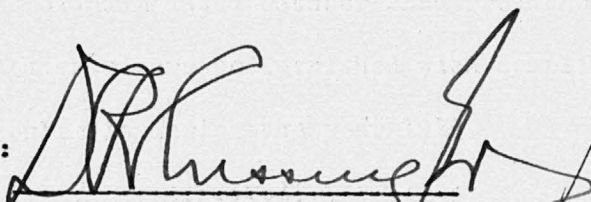
Approved.

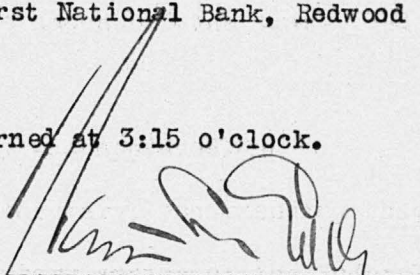
Dated, October 21st, Recommending approval of the application of Mr. E. Avenali to serve at the same time as director and officer of the First National Bank, San Francisco, and as director of the First National Bank, Redwood City, California.

Approved.

The meeting adjourned at 3:15 o'clock.

Approved:

  
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 Governor.

  
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 Secretary.