

Upon call of the Governor, a special meeting of the Federal Reserve Board was held in the office of the Governor on Monday, November 10, 1924, at 11:00 o'clock.

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

The minutes of the meeting of the Federal Reserve Board held on November 5th were read and approved.

The Governor then presented bonds of Mr. Samuel M. Foster, Acting Assistant Federal Reserve Agent at the Federal Reserve Bank of Richmond and Messrs. Adolph C. Wienert and Henry Schutz, Acting Assistant Federal Reserve Agents at the Baltimore Branch, in the amount of \$50,000 each.

Approved.

Memorandum dated November 7th, approved by the Secretary, recommending that state banks whose applications for membership have been approved be given a period of thirty days' time in which to accept their conditions of membership and to make the appropriate payment on stock subscribed for, rather than for the mere acceptance of conditions as heretofore.

Approved.

Letter dated November 7th from the Secretary of the Open Market Investment Committee for the Federal Reserve System, enclosing a schedule of ratios of participation by Federal Reserve banks during the month of November in system purchases of government securities and bankers' acceptances.

Ordered circulated.

11/10/24

-2-

Telegram dated November 5th from the Federal Reserve Agent at Chicago, recommending approval of an application of the Malcom Savings Bank of Malcom, Iowa, for permission to reduce its capital stock from \$50,000 to \$25,000; together with copy of telegraphic reply dated November 6th, advising that the Board approves of the proposed reduction with the understanding that estimated losses in the bank of \$75,000 will be taken care of in the manner outlined in the Federal Reserve Agent's letter to the Board of October 4th.

Upon motion, the reduction in the capital of the Malcom Savings Bank was formally approved and the telegraphic advice above referred to was ratified.

Letter dated November 7th from the Chairman of the Federal Reserve Bank of Richmond, enclosing copies of reports by a special committee of the directors of that bank, recommending the establishment of a branch in the southwestern portion of the 5th District and requesting the Board's permission to locate the branch at Charlotte, N. C.

Referred to the Committee on Branches.

The Governor then presented copy of a notice addressed to its member banks by the Federal Reserve Bank of Philadelphia, stating that it will not be open for business on Armistice Day, Tuesday, November 11th, except for the transaction of such interdistrict or urgent local business as may be necessary and stating that requests for currency, transfers of funds, etc. should reach the Federal Reserve Bank on Monday, November 10th.

After discussion, Mr. Miller suggested that the following letter be addressed to the Federal Reserve Bank of Philadelphia:

11/10/24

-3-

"The Federal Reserve Board has received a copy of the notice addressed to your member banks, advising that the Federal Reserve Bank of Philadelphia 'will not be open for business Armistice Day (Tuesday, November 11, 1924) except for the transaction of such inter-district or urgent local business as may be necessary'. This is not in compliance with the provisions of the last paragraph of the Board's circular letter of August 1, 1924 (X-4128). The Board's circular allows the Federal Reserve bank to use discretion as to the number of employees it may be necessary to keep in the bank in order to perform its functions but gives them no power to omit or curtail such functions when there is a local holiday in some portion of its district. The notice sent out to your member banks with respect to the operations of your bank on Armistice Day is a violation of the spirit and letter of the Board's circular of August 1, 1924, because it tells your member banks that your bank 'will not be open *** except for the transaction of such inter-district or urgent local business as may be necessary' and implies that those functions which are a matter of routine will not be performed. In addition it states that 'requests for currency, transfers of funds, etc. should reach us on Monday, November 10, 1924'.

The Board expects compliance in good faith with its regulation, or it will be forced to consider what further action to take in order that its ruling may be made effective."

After further discussion, it was voted that action be suspended pending discussion of the subject of Federal Reserve bank holidays at the Conference of Governors and Federal Reserve Agents now in session, but that a letter along the lines suggested by Mr. Miller be prepared in order that the Governor may, if he sees fit, discuss the same with the Conference.

Letter dated November 8th from the Chairman of the Federal Reserve Bank of Atlanta, replying to the Board's letter of October 28th, prepared in accordance with action taken at the meeting on October 24th, enclosing -

(1) Resolution adopted by the directors of that bank, requesting reconsideration of the Board's decision that the fee of the bank's counsel, Randolph and Parker, in the case brought against it by the Pascagoula National Bank and Court costs assessed against the Federal Reserve

11/10/24

-4-

bank should not be pro rated among the twelve Federal Reserve banks, but should be borne by the Atlanta bank itself, and

(2) Copy of letter addressed to the Governor of the Bank by Randolph and Parker, suggesting a fee of \$10,000 for their services in connection with the case.

Mr. James moved that this matter be referred to a committee to be appointed by the Governor with instructions to confer with Governor Wellborn, Chairman McCord and Chairman-elect Newton, while they are in Washington, and to make a report thereon to the Board with recommendations.

Carried.

The Governor then appointed Messrs. Hamlin and James as a Special Committee to investigate and report on this matter.

Letter dated November 8th from the Governor of the Federal Reserve Bank of Richmond, advising that the property in the rear of the bank's building, to the purchase of which the Board voted to interpose no objection on September 15th, is not now available to the bank and requesting authority to purchase another lot, on which there is a building suitable for use as a garage and storage building, at a cost of \$45,000.

Referred to the Committee on District
#5.

The Governor then referred to the Executive Committee the matter of the preparation of topics for discussion by the Federal Advisory Council at their meeting on November 24th.

Mr. Cunningham called attention to an entry in the minutes of the meeting of the Open Market Investment Committee for the Federal Reserve System held in Chicago on October 24, 1924, to the effect that "A resolution

11/10/24

-5-

was passed recommending that the Chairman should be given authority to buy or sell, after conferring with the other members of the Committee, up to \$100,000,000 of government securities in order to meet any situation in the money market which might develop".

Following a discussion of the intent and purpose of the resolution, the Secretary was instructed to confer with the Chairman of the Open Market Investment Committee and report the present status of the resolution at the next meeting of the Board.

REPORTS OF STANDING COMMITTEES:

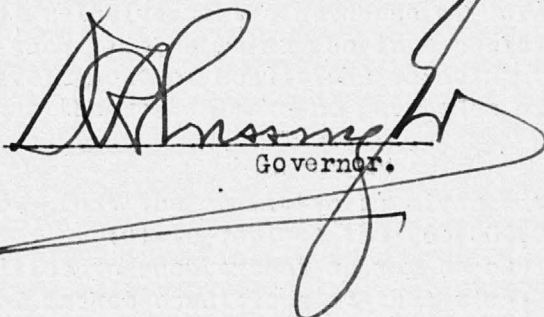
Dated, November 6th, Recommending changes in stock at Federal Reserve Bank,
10th, as set forth in the Auxiliary Minute Book of this date.
Approved.

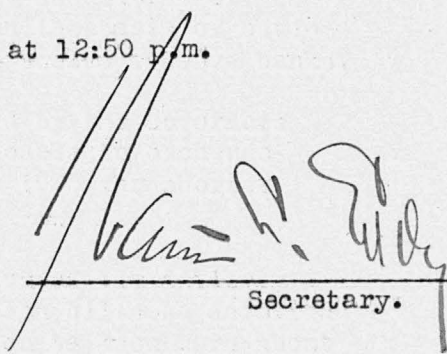
Dated, November 10th, Recommending action on application for fiduciary powers
as set forth in the Auxiliary Minute Book of this date.
Approved.

Dated, November 10th, Recommending action on applications for fiduciary powers
10th, as set forth in the Auxiliary Minute Book of this date.
10th, Ordered held.

The meeting adjourned at 12:50 p.m.

Approved:


Governor.


Secretary.