

A meeting of the Federal Reserve Board was held in the office of the Governor on Thursday, November 13, 1924 at 10:30 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on November 10th were read and approved.

The minutes of the meeting of the Federal Reserve Board held on November 12th were read and approved.

At the suggestion of Mr. Hamlin the special order business for this morning's meeting, namely, the question of the introduction of the proposed Pension Bill, was postponed until the meeting on Wednesday, November 19th.

The Secretary reported that at the meeting of the Board with the Open Market Investment Committee yesterday, the Committee itself had explained to the Board the present status of the resolution adopted by it at the Chicago meeting, regarding which the Secretary had been instructed to confer with the Chairman of the Committee.

Letter dated November 7th from the Governor of the Federal Reserve Bank of Boston, enclosing copy of call issued by the Stockholders' Advisory Committee of the Bank for an annual meeting of stockholders to be held in Boston on November 19th.

Noted.

Report of Committee on District #6 on letter dated November 10th from the Secretary of the Federal Reserve Bank of Atlanta, enclosing copy of a

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resolution adopted by the directors of that bank, recommending the abolition of the non-cash collection function of the Federal Reserve banks; the Committee recommending that the resolution be circulated among the members of the Board.

Upon motion, the resolution was ordered circulated and placed in the Board's file on the subject.

Memorandum dated November 11th from the Board's Committee on District #6, calling attention to a report of the special Salary Committee of the Federal Reserve Bank of Atlanta showing a reduction in the annual salary list of the Atlanta bank of approximately \$73,000 since May 1, 1924; the Committee suggesting that the Board make proper acknowledgment of the report and express its appreciation of the action of the special Salary Committee.

Upon motion, the recommendations of the Board's Committee were approved.

Letter dated November 12th from the Secretary of the Governors' Conference, transmitting certain questions with regard to the Federal Reserve collection system which the conference recommends be submitted to the meeting of Federal Reserve Bank Counsel which will be held in Washington early in December.

Upon motion, the questions suggested by the Conference were referred to the Board's Law Committee for submission to the meeting of the Federal Reserve Bank Counsel.

Report of Committee on Examinations on letter dated November 5th from the Federal Reserve Agent at San Francisco, transmitting a letter from Mr. John S. Drum, President of the Mercantile Trust Company, requesting that the Board open for reconsideration the application of that bank for permission to purchase the Bank of Burlingame and to establish a branch in its premises;

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the Committee stating that it can see no objection to the Board having Mr. Drum come before it when he is next in Washington.

After discussion, it was voted that the Board should consider with Mr. Drum, on his next visit to Washington, the question of a hearing on the application.

Letter dated November 6th from the Secretary of the Robert Morris Associates, inquiring whether the Board would have any objection to the adoption of a resolution by the Association approving the recent amendment to the Board's regulations requiring the filing of separate financial statements by closely affiliated subsidiary corporations or firms of makers of notes offered for rediscount by Federal Reserve banks.

It was the sense of the Board that since this regulation has already been made public, the question of a favorable declaration by the Robert Morris Associates is one for the judgment of that Association.

Report of Committee on Branches on letter dated October 29th from the Chairman of the Federal Reserve Bank of Chicago, transmitting amendments to the By-laws of the Detroit Branch made necessary by the Board's Regulations governing the appointment of directors of Branch Federal Reserve banks.

Upon motion, the amendments proposed in the Detroit By-laws were approved.

Report of Committee on Branches on letter dated October 31st from the Chairman of the Federal Reserve Bank of St. Louis, transmitting copy of the By-laws of the Memphis, Louisville and Little Rock Branches amended to conform with the Board's Regulations governing the appointment of directors of Branch Federal Reserve banks.

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Upon motion, the amendments proposed in the Memphis, Louisville and Little Rock By-laws were approved.

Report of Committee on Branches on letter dated November 7th from the Chairman of the Federal Reserve Bank of Kansas City, transmitting amendments to the By-laws of the Oklahoma City, Omaha and Denver Branches made necessary by the Board's Regulations governing the appointment of directors of Branch Federal Reserve banks.

Upon motion, the amendments proposed in the Oklahoma City, Omaha and Denver By-laws were approved.

Memorandum dated October 28th from General Counsel with reference to letter of October 23rd from the Chairman of the Federal Reserve Bank of Boston, transmitting inquiry from Counsel for a National Bank with reference to the interpretation of the phrase "Improved and Unencumbered Real Estate" as used in Section 24 of the Federal Reserve Act; Counsel in his memorandum stating that no definite test can be applied in determining whether a given piece of property is improved real estate within the meaning of the Act, because it is largely a question of fact, but that the guiding principle has to do with the increased marketability of the property due to the improvements, which need not be buildings but may consist of labor and materials expended in other ways to make the property salable. Counsel also suggested that the matter be referred to the Comptroller of the Currency for consideration.

Approved.

Memorandum dated November 8th from General Counsel, submitting redraft of the letter to the Governor of the Federal Reserve Bank of Dallas, on the subject of acceptances of the Ft. Worth Cattle Loan Company, which was ordered

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circulated at the meeting on October 24th; the letter having been revised in order to bring out certain facts explained to Counsel by the Governor of the Bank during a recent visit in Washington.

Upon motion, the revised letter was approved.

Memorandum dated November 10th from Counsel, with regard to letter dated November 6th from the Chairman of the Federal Reserve Bank of Boston, transmitting and recommending approval of the application of the Atlantic National Bank of Boston for permission to purchase stock in the Atlantic National Corporation organized or to be organized under the laws of Massachusetts with its home office in Boston - together with an agreement signed by the Atlantic National Corporation to restrict its operations in such manner and under such limitations as may be prescribed by the Federal Reserve Board; Counsel in memorandum stating that the agreement is in proper form and that there is no legal reason why the application of the Atlantic National Bank to invest in the stock of the Atlantic National Corporation should not be granted.

Upon motion, the application above referred to was approved.

Memorandum dated November 3rd, approved by the Law Committee, submitting draft of a letter to Assistant Secretary of the Treasury Wadsworth on the subject of the disposition of obsolete and useless official records of the Board and recommending the destruction of certain records listed therein.

Approved.

The Committee on Branches laid before the Board, without recommendation, the matter referred to it at the meeting on November 10th, namely, letter dated.

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November 7th from the Chairman of the Federal Reserve Bank at Richmond, transmitting for approval two reports addressed to the board of directors of that bank by a special committee - (1) Recommending the establishment of a branch in the southwestern portion of the Fifth District; and (2) Recommending that the branch be established at Charlotte, N. C.

After discussion, Mr. Hamlin made the following motion:

"Whereas, The Board has before it a petition of the Federal Reserve Bank of Richmond for authority to establish a branch in the southwestern portion of the Fifth District,

Be It Resolved, That the Board on some future date give a hearing on the matter to all interested parties."

Mr. Miller then offered the following substitute motion:

"Whereas, The Federal Reserve Board has considered an application of the Federal Reserve Bank of Richmond for permission to establish a branch in the Fifth Federal Reserve District and is unable to concur with the conclusions of the directors of the Federal Reserve bank as to the necessity for such branch, the Board, therefore, does not grant the authority requested but is willing to grant a hearing to the Board of Directors of the Federal Reserve bank and to any of the several petitioners for the establishment of a branch in the Fifth District, if such hearings are desired."

Mr. Miller's substitute motion being put by the chair was lost, the members voting as follows:

Governor Crissinger, "no"
 Mr. Hamlin, "no"
 Mr. James, "no"
 Mr. Cunningham, "no"
 Mr. Platt, "aye"
 Mr. Miller, "aye"

Mr. Hamlin's original motion being put by the chair was unanimously adopted.

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At this point, Messrs. Strong, Norris and Bailey, a committee of the Governors' Conference, entered the room and advised the Board of the views of the Conference as to the necessity for action looking to a reduction in the charge fixed by the Comptroller of the Currency for copies of reports of examinations of National Banks furnished to the Federal Reserve banks.

Upon motion, it was unanimously voted that a hearing be arranged on a date to be fixed by the Governor of the Board at which a committee of the Governors, the Secretary of the Treasury or his representative, the Comptroller of the Currency, and the members of the Board, may be present for a discussion of the matter.

REPORTS OF STANDING COMMITTEES:

Dated, November 10th, 12th, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.

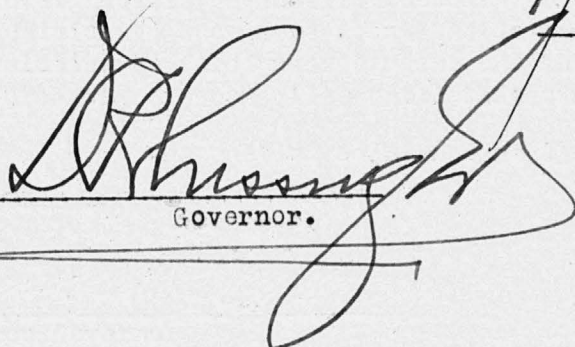
Approved.

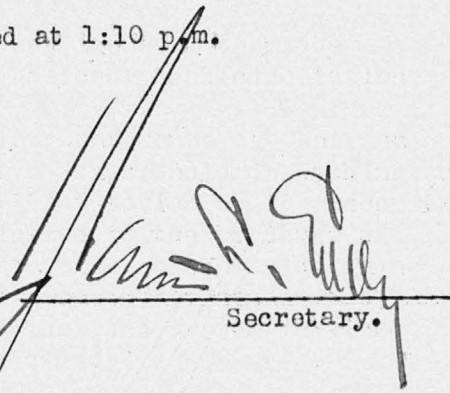
Dated, November 10th, Recommending approval of the application of Mr. Eugene E. Ford to serve at the same time as director and President of the Kenwood National Bank, Chicago, Ills., and also of the First National Bank, Alliance, Nebr.

Approved.

The meeting adjourned at 1:10 p.m.

Approved:


Governor.


Secretary.