

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, February 6th, at 11:15 a.m.

PRESENT: Vice Governor Platt  
Mr. Hamlin  
Mr. Miller  
Mr. Crissinger  
Mr. Hoxton, Secretary.

Minutes of the meetings of the Federal Reserve Board held on February 1st at 11:00 a.m. and at 3:30 p.m. were read and on motion approved.

The Vice Governor reported the reserve positions of the several Federal Reserve banks as at close of business January 31, February 1, 2, and 3.

Memorandum dated February 3rd, from the Comptroller of the Currency, transmitting with favorable recommendation the application of the First National Bank of Midland, Alabama, to reduce its capital stock from \$65,000 to \$35,000.

Approved.

Telegram dated February 1st, from the Chairman of the Federal Reserve Bank at San Francisco, advising of the theft of \$1300, by a clerk at the Seattle Branch that the Department of Justice, both at Washington, D. C. and Seattle, Washington, has been informed of the case and stating that the Board of Directors of the Federal Reserve Bank of San Francisco, for reasons given, was not disposed to prosecute.

Upon motion, the Secretary was instructed to advise Mr. Perrin, that the Board notes that the case has been reported to the Department of Justice and that this action is in accord with the views of the Board.

Letter dated February 1st, from the Chairman of the Federal Reserve Bank of New York, calling attention to his advice that the National Butchers and Drovers Bank of New York City has made application for permission to establish an additional office at the southwest corner of Thirty-seventh Street and

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Seventh Avenue, New York City, and calling attention to the fact that the Comptroller of the Currency has recently granted permission to the Capitol National Bank to establish a branch in New York City, and stating his opinion that it would be appropriate if the Federal Reserve Agents were given an opportunity to be heard on such applications before their final disposition by the Comptroller of the Currency.

Noted, Referred to the Acting Governor for reply.

Letter dated January 26th, from Mr. W. S. Culbertson, Chairman of the Economic Liaison Committee, enclosing a photostat copy of a letter from the President approving the work of the above Committee.

Noted.

Letter dated February 2nd from Congressman W. J. Sears, with reference to a building for the Jacksonville Branch of the Federal Reserve Bank of Atlanta. Also telegram dated February 5th, upon the same subject from the Chairman of the Federal Reserve Bank of Atlanta.

After discussion with a view to determining what authority or responsibility the Federal Reserve Board has in this matter, in view of recent action by Congress, the correspondence referred to was ordered referred to General Counsel.

Two letters dated January 18th and January 29th, from Mr. S. G. Rubinow and addressed to Mr. Miller, advising of the proposed organization of the Maine Potato Growers Exchange, under the direction of Mr. Aaron Sapiro, and requesting, among other things, the distribution as specified of extra copies of a memorandum prepared by Mr. Miller in connection with his address in Washington, before the National Council of Farmers Cooperative Marketing Associations.

Referred to Mr. Miller it being the sense of the Board

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that there is no objection to the supplying for distribution of extra copies of the memorandum referred to.

Letter dated January 31st, from the Federal Reserve Agent at San Francisco, transmitting with favorable recommendation, the application of the Pacific Southwest Trust and Savings Bank of Los Angeles, California, to take over and operate as a branch, the Security Commercial and Savings Bank of El Centro, California. Also, transmitting with favorable recommendation, the application of the Pacific Southwest Trust and Savings Bank for the tentative approval of the Federal Reserve Board, looking toward the establishment of branches at Calexico and Brawley, California.

Upon motion, the application to take over and operate as a branch, the Security Commercial and Savings Bank of El Centro was approved, Mr. Crissinger voting "no".

With reference to the Calexico and Brawley branches, the Secretary was instructed to ascertain from Mr. Perrin, if these proposed branches are branches de novo, and if, in the judgment of Mr. Perrin their establishment is justified by the banking needs of Calexico and Brawley.

Letter dated February 2nd, from Mr. John Skelton Williams addressed to the Secretary of the Board, requesting twelve copies of the transcript of the stenographic minutes of the conference of the Federal Reserve Board, the Federal Advisory Council and the Class "A" Directors of the Federal Reserve banks held in Washington in May, 1920.

The Secretary reported that the Board had ordered only one hundred copies of these pamphlets and that after the distribution directed by the Board, there were only about fifty copies left and the Board, therefore, ordered the request of Mr. Williams laid over until the Secretary could ascertain whether or not the type of this pamphlet at the Government Printing Office is still standing.

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Memorandum dated February 2nd, from Mr. Hamlin recommending that the Federal Reserve Board should undertake and order examinations of the Bank of Central and South America.

Approved, with the understanding that the Acting Governor will notify the Bank of Central and South America that such examinations are to be made at the expense of the said bank, it being further understood that the Vice Governor will send a copy of his letter to the bank in question, to the Governor of the Federal Reserve Bank of New York.

Proposed letter prepared by Counsel for the signature of the Acting Governor and addressed to Senator D. U. Fletcher, in response to an inquiry made by Senator Fletcher as to whether the Federal Reserve Board in construing Section 13 of the Federal Reserve Act has ever held or would hold, or whether under Sections 9, 10, and 11 of S. 4287 (Lenroot bill) it would hold, naval stores, that is, spirits of turpentine and rosin, to be staple agricultural products.

Approved.

Memorandum dated January 31st, from General Counsel, with reference to advertisements by State Member banks, together with a proposed letter to the Chairman of the Federal Reserve Bank of St. Louis and a proposed circular letter to all Chairmen, said memorandum and letters being submitted with the recommendation of the Chairman of the Law Committee, Mr. Hamlin, that the same be approved.

Ordered circulated.

Memorandum dated February 5th, from General Counsel, with reference to the expenses of the examinations of state member banks together with various correspondence on this subject.

Upon motion, ordered circulated.

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Letter dated February 1st, from the Comptroller of the Currency, advising of the various changes which were made in the National Bank Examining Force during the month of January, 1923.

Approved.

Letter dated February 3rd, from the Comptroller of the Currency, recommending the probationary appointment of Miss Bessie Kelly, money counter in the Federal Reserve Issue and Redemption Division at a salary of \$1020 per annum.

Approved.

REPORTS OF COMMITTEE NO. 1:

Dated February 1st, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.  
2nd, as set forth in the Auxiliary Minute Book of this date.  
3rd, Approved.  
5th,

Dated February 2nd, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.  
Approved.

Dated February 2nd, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.  
Held.

Dated February 2nd, Recommending action on applications for admission of state banks, 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.

The meeting adjourned at 1:00 o'clock.

D. W. Hooper  
Secretary.

Approved: Edmund Platt  
Vice Governor.