

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, February 20, 1923, at 11:35 a.m.

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

The minutes of the special meeting of the Federal Reserve Board held on February 19th were read and on motion approved.

The Vice Governor reported the reserve positions of the several Federal Reserve banks as at close of business February 17th.

Telegram dated February 15th, from the Chairman of the Federal Reserve Bank of San Francisco, requesting the Board's tentative approval for the Bank of Italy to negotiate for the purchase of the Commercial National Bank of Los Angeles, and its three branch offices with the view to converting same into branches of the Bank of Italy. Also telegram dated February 19th, from Mr. W. G. McAdoo, stating that he shall appreciate a prompt decision by the Federal Reserve Board with reference to the above application.

After a full discussion, the Secretary was directed to prepare two telegrams to be transmitted to Mr. Perrin, subject to the final approval of Mr. Hamlin. The two telegrams as finally approved by Mr. Hamlin were as follows, a copy of the first telegram being transmitted to Mr. McAdoo:

"Referring your wire February 15th re Bank of Italy and Commercial National Bank Los Angeles. Board grants tentative approval to the plan of the Bank of Italy to purchase Commercial National Bank of Los Angeles with its three branches, but the matter of establishing additional branch in Los Angeles by Bank of Italy must be determined at the proper time and after formal application. Some members of Board have grave doubts on the subject and wish

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further and full information before definitely authorizing the establishment of the branch or branches contemplated in present proposal and this tentative approval of the purchase is not to be taken as a commitment by the Board to approve additional branches."

"Further reference to Bank of Italy's Los Angeles proposition. Board desires full report from you as to the grounds upon which you think the Board should approve the additional branches; also please advise if the California State Bank Commissioner knows of Bank of Italy's present plan and if he has approved or is inclined to approve the Bank of Italy's plan to establish additional branches in Los Angeles based on purchase of Commercial National."

Letter dated February 14th, from the Federal Reserve Agent at San Francisco, transmitting with favorable recommendation, the application of the Bank of Italy to establish a branch at 5023 Third Street, San Francisco,

Approved, Mr. Crissinger voting "no".

Letter dated February 13th, from the Federal Reserve Agent at San Francisco, transmitting a letter of February 10th, from the Executive Vice President of the Pacific Southwest Trust and Savings Bank of Los Angeles, giving further information with reference to Mr. Perrin's letters of January 31st, 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.

In view of the further information secured, it was voted that the Board grant its tentative approval to the establishment of branches at Calexico and Brawley, by the Pacific Southwest Trust and Savings Bank, Mr. Crissinger voting "no".

Letter dated February 16th, from the Railway Loan Advisory Committee of the Federal Reserve Board, recommending approval of the form of obliga-

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tion submitted by the New York, New Haven and Hartford Railroad Company for a loan of \$7,400,000, (the carrier electing at this time to take over the first part of the loan in the amount of \$2,000,000) under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved, Mr. Hamlin not voting.

Telegram dated February 19th, from the Chairman of the Federal Reserve Bank of Chicago, advising of the election of Mr. Robert Mueller as Class "B" director, by banks in Group 2, to fill the unexpired term of Mr. E. R. Erskine.

Noted.

Circular letter prepared by General Counsel and addressed to the Governors of all Federal Reserve banks, with reference to notary fees on items protested.

Approved.

Letter dated February 14th, from the President of the Bank of Central and South America, in reply to a letter of the Secretary of the Board, dated February 13th, advising of the understanding of the Bank of Central and South America, that the cost of examinations which the Board proposes to make of that institution will be assessed against the bank examined.

Noted. Mr. Mitchell reiterated his objections to the Federal Reserve Board undertaking to examine banking corporations with foreign branches.

Letter dated January 19th, from Governor Strong, with reference to currency conditions in Porto Rico, said letter having been ordered circulated by the Federal Reserve Board, on January 23, 1923.



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Referred to the Vice Governor for transmission to the Treasury Department.

Draft of letter prepared by General Counsel, for the signature of the Vice Governor and addressed to the Chairman of the Senate Committee on Banking and Currency, with reference to Senate Bill 4486 amending Section 5200 of the revised statutes, and designed to permit national banks to make loans in unlimited amounts to any one person, firm or corporation on demand notes or bills secured by warehouse receipts or other documents covering non-perishable staples, provided such warehouse receipts or other documents" shall not have been outstanding for more than six months".

Formally approved, having been previously approved by the initials of Board members.

Copy of letter dated February 17th, from the Acting Governor in reply to a request from Senator Ellison D. Smith of South Carolina, for a copy of the reprint of the Transcript of Stenographic Minutes of the Conference of the Federal Reserve Board with Federal Advisory Council and Class "A" Directors, held May 18, 1920.

Upon motion, the Secretary was instructed to transmit a copy of the reprint aforesaid to Senator Smith.

Letter dated February 16th, from Mr. L. F. Sailer, Deputy Governor of the Federal Reserve Bank of New York, advising that the Federal Reserve Bank of New York has received for the account of the Republic of Colombia, the sum of \$4,000,000, the Federal Reserve Bank of New York having been advised that this sum is a part of the \$5,000,000 recently received by Colombia from the United States by virtue of the treaty recently signed by the two countries

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and that this money has been assigned by the Colombian Government to the founding of a bank of issue, but that while this project materializes, the Colombian Government desires to invest the same money in Treasury certificates or Treasury notes which mature during the present year.

Noted.

Letter dated February 16th, from the Chairman of the Federal Reserve Bank of Richmond, transmitting with favorable recommendation, resolutions adopted by the member banks of the Federal Reserve System in Charleston, South Carolina, petitioning that the City of Charleston, be removed from the status of a reserve city and from the list of said cities.

The Board considered the resolution dated February 13th, 1923, signed by the Presidents or Vice Presidents of the following member banks in the City of Charleston:

- Atlantic National Bank
- Bank of Charleston, N.B.A.
- Carolina Savings Bank
- First National Bank
- Peoples National Bank

said resolution requesting the Federal Reserve Board to reclassify Charleston, South Carolina, and discontinue that city as a reserve city.

Upon motion, it was RESOLVED that under the authority vested in it by the Provisions of Section 11 (E) of the Federal Reserve Act, the Federal Reserve Board hereby terminates the designation of the City of Charleston, South Carolina, as a reserve city, effective March 1, 1923.

Upon the above resolution Messrs. Platt, Hamlin and Mitchell voted "aye" and Messrs. Miller and Crissinger voted "no".

Letter dated February 13th, from the Chairman of the Federal Reserve Bank of Dallas, recommending that the Board approve a salary of \$3300 per annum, for Mr. M. D. Jenkins, the newly appointed Cashier of the Houston Branch, and a salary of \$2900 per annum for Mr. L. G. Pondrom, the newly

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elected Assistant Cashier of the Houston Branch, both salaries effective March 1, 1923.

Approved.

Letter dated February 16th, from the Undersecretary of the Treasury with reference to the designation of banks which are members of the Federal Reserve System, as depositaries of public monies.

Ordered circulated.

Upon motion, the Board approved the bond of Mr. S. H. Leavell, Assistant Federal Reserve Agent at the Houston Branch of the Federal Reserve Bank of Dallas, in the sum of \$50,000.

Mr. Miller submitted a draft of a proposed letter dated February 19th, to the Senate Committee on Banking and Currency, expressing the views of the Federal Reserve Board, with reference to Senate Bill 4475, introduced by Senator Brookhart, and having reference to the organization of cooperative national banks.

Approved, subject to an amendment suggested by Mr. Hamlin, the letter to be transmitted after the incorporation by Mr. Hamlin of his suggested amendment.

Telegram dated February 16th, from the Federal Reserve Agent at Dallas, requesting the approval of the Federal Reserve Board, of a salary of \$250 per month to be paid to Mr. C. H. Wells, a temporary employee secured by the bank for work in connection with the failure of the Midland National Bank.

Formally approved, having been previously approved by the initials of Board members.

Memorandum dated February 17th, from the Assistant Secretary of the Board, requesting authority to transfer Mr. E. M. McClelland from the Examination Division to the Secretary's office for service in the capacity of General



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Office Assistant, said transfer involving no change in compensation.

Approved.

Memorandum dated February 15th, from the Assistant Secretary of the Board, submitting the resignation of Miss D. K. Marcier, Typist, salary \$1665 per annum, Division of Bank Operations, and requesting authority to employ a Stenographer and Typist to fill the vacancy at a salary not to exceed \$1665 per annum.

Approved.

Letter dated February 16th, from the Comptroller of the Currency, recommending the approval of a salary of \$2700 per annum to be paid to Mr. Thomas E. Dooley, National Bank Examiner in the First Federal Reserve District.

Approved.

The Board entered into a discussion of the recommendations of the Federal Advisory Council as contained in the report of that Council as of yesterday.

REPORTS OF COMMITTEE NO. 1

- Dated February 15th, 17th, Recommending action on applications for changes in stock as set forth in the Auxiliary Minute Book of this date.  
Approved.
- Dated February 14th, 17th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.  
Approved.
- Dated February 17th, Recommending action on applications for admission of state bank, subject to the conditions stated in the individual report attached to the application, as set forth in the Auxiliary Minute Book of this date.  
Approved.

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REPORTS OF COMMITTEE NO. 1 (Cont'd)

Dated February 20th, Recommending approval of the application of Mr. Gerhard M. Dahl, to serve at same time as director of the Hayden- Stone & Company and of the Chase National Bank, both of New York City.

Approved.

The meeting adjourned at one o'clock.

*W. W. Houston*  
Secretary.

Approved:

*Edmund Platt*  
Vice Governor.