

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, March 1st, at 10:50 a.m.

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

The reading of the minutes of February 28th was omitted.

The Vice Governor stated that the first thing in order would be the motion made by Mr. Hamlin yesterday, that the Board reconsider its action taken yesterday approving the application of the Mercantile Trust Company of San Francisco, to take over the Savings Bank of Santa Rosa and operate a branch on the premises now occupied by that bank. In this connection, the Vice Governor submitted the following telegram from the Chairman of the Federal Reserve Bank of San Francisco:

"On February 19 application forwarded by mail of Mercantile Trust Company San Francisco to incorporate Savings Bank Santa Rosa, as branch. Have communicated to Bank Board statement adverse to action upon further branches of California banks having numerous branches until examination problem determined. Bank, however, requests special presentation of following circumstances. Fifty years charter of Savings bank, Santa Rosa, expires March 10. Bank desires to avoid somewhat complicated and expensive renewal. Taxes attach Monday, March 5 involving an expense of \$10,000 to \$15,000 which can be avoided if bank taken over on Saturday March 3, which it is desired to do. Will Board please wire reply. No problem arises in making simultaneous examination of all offices of this bank. Such a simultaneous examination is in fact, now in progress, conducted by State Department with a force including several employees of Reserve bank".

Mr. Hamlin moved that the Board direct Mr. Herson, the Chief of the Division of Examination to set up a regular plan of examination for state member banks having branches, to be prepared in accordance with the law and in accordance with the opinion of the Board's Counsel thereon; that Mr. Herson be further authorized to visit California or to summon to Washington the Assistant Federal Reserve Agent in charge of examinations for the Federal Reserve

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Bank of San Francisco, it being understood that the plan referred to is to be prepared for submission to the Federal Reserve Board.

Carried.

Mr. Hamlin then stated that he desired to withdraw his motion made yesterday that the Board reconsider its action approving the application of the Mercantile Trust Company of San Francisco to take over the Savings Bank of Santa Rosa and operate a branch on the premises now occupied by that bank.

Telegram dated February 28th, from the Chairman of the Federal Reserve Bank of San Francisco, as follows:

"Referring to the Bank of Italy's application to take over banks at Salinas and establish Branch, action upon which has been withheld by Board. Bank has now filed application with us requesting Board's permission for Stockholders Auxiliary Corporation to enter into negotiations for the purchase of these banks, the matter of converting them into branches to await determination of examination question. Corporation already has option and seventy-five percent of stock has been deposited with First National Bank of Salinas for delivery. Bank would appreciate telegraphic advice of Board's action."

In view of the situation presented in the above telegram, the Board voted to approve the Bank of Italy's application for permission for the Stockholders Auxiliary Corporation to enter into negotiations for the purchase of the banks referred to with the understanding that the matter of converting them into branches is to await the determination of the examination question, Mr. Crissinger voting "no".

Letter dated February 28th, from the Comptroller of the Currency, recommending an increase in the salary of National Bank Examiner Henry B. Hane from \$5,000 to \$5,500 per annum.

Approved.

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REPORTS OF COMMITTEE NO. 1

Dated February 28th, Recommending action on applications for changes in stock as set forth in the Auxiliary Minute Book of this date.

Approved.

Dated February 27th, Recommending approval of the application of Mr. Henry S. Bowers, to serve at the same time as director and stockholder in the Goldman, Sachs and Company, New York City and as director of the Seaboard National Bank, New York City.

Approved.

Dated February 28th, Recommending approval of the application of Mr. O. D. Hamlin, to serve at the same time as director of the Central National Bank, Oakland, California and of the Central Savings Bank, Oakland, California.

Approved.

The meeting adjourned at 11:05 a.m.

W. D. Aberton
Secretary.

Approved: Edmund Platt
Vice Governor.