

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, January 15, 1925 at 11:20 a.m.

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

In accordance with the Board's action of January 8th, the Director of the Board's Division of Research and Statistics entered the meeting and discussed with members of the Board the trend of business and credit conditions, referring to movements in prices, production, employment and volume of payrolls, to the trend of money rates in New York City and to changes in the earning assets of Federal Reserve banks and deposits in earning assets of reporting member banks. Mr. Stewart also referred to the minutes of the meeting of the Open Market Investment Committee held in New York on January 9th.

After a discussion of the above matters during which Mr. McIntosh entered the room, the Director of the Board's Division of Research and Statistics withdrew from the meeting.

The minutes of the meeting of the Federal Reserve Board held on January 13th were read and approved.

Mr. Platt stated that after further consideration he was prepared to change his vote from "no" to "aye" on Mr. Hamlin's proposed amendment to the motion of Mr. Miller, regarding the service of representatives of the Board on Federal Reserve banks and branch directorates as members of the Federal Advisory Council and called attention to the fact that this would probably result in the passage of Mr. Miller's motion.

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Mr. McIntosh not having been present at the meeting on January 13th, the Secretary was directed to bring the motion of Mr. Miller and the proposed amendment of Mr. Hamlin to his attention in order that he might be prepared to vote on the matter which was ordered brought up at the meeting tomorrow.

At the request of Mr. Hamlin, the Secretary was also instructed to advise Mr. McIntosh regarding the motion to increase the salary of the Federal Reserve Agent at Boston, which was lost on a tie vote.

Governor Crissinger stated that Mr. James Inglis, former director of the Detroit Branch under appointment by the Board, had requested an opportunity of appearing before the Board for a discussion of the business of the branch and the Governor stated he had invited Mr. Inglis to come to Washington at his convenience.

The Secretary then requested instructions as to the disposition of the proposed letter to all Federal Reserve banks on the subject "Publication of Separate Note and Deposit Reserve Ratios" which was referred to a special committee consisting of Messrs. Miller and Platt at the meeting on February 15, 1924 and is now being carried on the Board's docket of Unfinished Business.

After discussion, the Secretary was directed to bring this matter before the Board at tomorrow's meeting, together with a record of the Board's previous actions regarding the subject of the letter.

Mr. Hamlin then stated that no further action of the Board was necessary on the letter dated April 22, 1924 from the Chairman of the Federal Reserve Bank of Dallas, enclosing a report with regard to the rediscount of paper emanating from the petroleum industry and suggesting a form of financial statement to be submitted by borrowers in that industry which was referred to the Law Committee on April 29th.

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Upon motion, this matter was ordered stricken from the Board's docket of Unfinished Business.

After discussion of other matters of Unfinished Business on the Board's docket, it was voted that consideration of the question of the introduction of a proposed bill to incorporate the Federal Reserve Pension Fund should be made special order for a meeting on Thursday, January 29th.

The Secretary then informed the Board that Governor Strong of the Federal Reserve Bank of New York, who is Chairman of the Governors' Conference, had appointed Messrs. Harding and Norris as a committee of two of the conference to confer with the Board's special committee on the subject of the revision of the Board's ruling regarding Federal Reserve bank holidays.

Memorandum from the Secretary recommending that the Board amend its Inter-district time schedule so as to put items from St. Louis on Omaha on a one-day basis, instead of two days as at present, it being understood that items from Omaha on St. Louis are to remain on the present basis of two days.

Approved.

The Governor then stated that the Board would postpone consideration of its regular business for the purpose of conducting a hearing to show cause why the Coleman State Bank, Coleman, Okla., should not be required to surrender its stock in the Federal Reserve Bank of Dallas, and to forfeit all rights and privileges of membership in the Federal Reserve System.

No one appearing in behalf of the Coleman State Bank, Coleman, Okla., at the said hearing before the Federal Reserve Board, that bank having by a resolution of its board of directors adopted on December 3, 1924, waived its right to a hearing before the Federal Reserve Board under the terms of Section 9



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of the Federal Reserve Act; and it appearing to the Federal Reserve Board that the said Coleman State Bank, Coleman, Oklahoma, has failed to comply with the provisions of Section 9 of the Federal Reserve Act and the regulations of the Federal Reserve Board made pursuant thereto, in that said bank while a member of the Federal Reserve System has reduced its capital stock from \$25,000 to \$15,000, the latter amount being less than that which would be required for the organization of a national bank in the place in which said bank is located;

Upon motion duly made and seconded the following resolution was unanimously adopted by those present:

"WHEREAS, it appears to the Federal Reserve Board from a consideration of the evidence and information received by it, that the Coleman State Bank, Coleman, Oklahoma, has failed to comply with the provisions of Section 9 of the Federal Reserve Act and that said bank has failed to comply with the regulations of the Federal Reserve Board made pursuant to the provisions of that section.

NOW, THEREFORE, BE IT RESOLVED, that the Federal Reserve Board require and direct the Coleman State Bank, Coleman, Oklahoma, under the terms of Section 9 of the Federal Reserve Act as amended, to surrender its stock in the Federal Reserve Bank of Dallas and to forfeit all rights and privileges of membership in the Federal Reserve System as of the date on which notice of this action on the part of the Federal Reserve Board is received by the said bank."

The Board then proceeded with its regular business.

Memorandum dated December 27th from the Chief of the Board's Division of Bank Operations, approved by the Secretary, recommending certain changes in the Board's weekly statement showing the condition of reporting member banks.

Approved.

Memorandum dated January 14th from the Director of the Division of Research and Statistics, recommending approval of an addition of \$1600 to the budget for his Division for the year 1925 to cover additional increases in salaries of employees, as follows:

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Warren, Robert B.	-	\$3200 to	\$3400
Thomas, Woodlief	-	3200 to	3400
Riefler, Dorothy B.	-	2700 to	3000
Carson, W. F.	-	2700 to	3000
Stark, W. R.	-	2700 to	3000
Riefler, Winfield	-	2700 to	3000

Approved.

Memorandum from Counsel on letter dated January 6th from Mr. James L. Sellman, referring to the Board's action of December 30th in voting to approve his application to serve at the same time as director of the National Bank of Baltimore and the Century Trust Company, both of Baltimore, Md. but to disapprove his application to serve also the Maryland Trust Company of Baltimore, and advising that he will not stand for reelection at the Century Trust Company, but desires particularly to continue with the National Bank of Baltimore and the Maryland Trust Company; Counsel stating that while in his opinion there is substantial competition between the National Bank of Baltimore and the Maryland Trust Company, the Board may well, in the exercise of its own judgment, conclude that the competition is not substantial within the meaning of the Clayton Act and proceed to approve the application.

Mr. Hamlin then moved that the Board reconsider its action of December 30th and approve the application of Mr. Sellman to serve at the same time as director of the National Bank of Baltimore and the Maryland Trust Company. Carried, Mr. James voting "no".

Memorandum dated January 14th from the Director of the Division of Research and Statistics, advising that Mr. L. B. Mann, whose resignation from the Division was accepted effective December 31, 1924, remained with the Division during the first three days of January at the request of the Director in order to complete certain work upon which he was engaged, and recommending

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that salary adjustment at the rate which he was receiving be made to cover this additional time.

Approved.

Memorandum dated January 13th from the Secretary recommending the appointment of Mr. Joseph A. Shafer as extra clerk-typist on the night force of the Gold Settlement Division, effective January 15th, at the rate of \$1.50 per evening, vice Mr. John S. Ridgely, whose services will be terminated on that date.

Approved.

Letter dated January 7th from the Chairman of the Federal Reserve Bank of San Francisco, advising of officers elected to serve at the bank and its branches during the year 1925.

Noted.

Report of Committee on Salaries, Expenditures and Efficiency on letter dated January 9th from the Chairman of the Federal Reserve Bank of San Francisco, requesting approval of the action of the directors in voting to grant leave of absence with full pay on account of illness for 60 days beginning December 15, 1924, to Mr. Ira Clerk, Deputy Governor of the bank; the Committee recommending approval.

Approved.

Report of Committee on Examinations on letter dated December 30th from the directors of the Federal Reserve Bank of Atlanta, transmitting and recommending approval of the application of the Parish Bank and Trust Company of Opelousas, La., for permission to establish a branch at Arnaudville, La.;



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the Committee also recommending approval, as an exception under the Board's Regulation "H".

Approved, Mr. Cunningham voting "no".

Memorandum dated January 13th from the Board's General Counsel, with regard to letter dated January 5th from Honorable Newton D. Baker regarding the question whether any effort should be made to have the so-called Pascagoula case advanced on the docket of the Supreme Court of the United States in order to get an early decision by that court; Counsel, for reasons stated, recommending that the Board take no steps to have the case advanced on the docket.

Upon motion by Mr. Hamlin, it was voted to take no action to advance the case.

Memorandum from Counsel on the matter referred to him at the meeting on December 30th, namely, letter dated December 22nd from the Cashier of the Federal Reserve Bank of Cleveland, making certain inquiries with regard to the Board's letter of December 19th on the subject "Determination of Outlying District for Purpose of Reserve Reduction"; Counsel submitting draft of reply stating that the Board's ruling that applicants for reserve reductions must have been members of the Federal Reserve System and in operation as such for a period of at least one year prior to the date of such application, applies alike to both new and old member banks, whether state or national, and applies both in the case of territory which has previously been ruled upon as outlying and territory which has not heretofore been passed upon by the Board.

Upon motion, the proposed letter was approved.

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Report of Examination of the Federal Reserve Bank of Boston as at the close of business September 6th, 1924.

Referred to the Committee on Examinations and Committee on District #1.

Report of Examination of the Federal Reserve Bank of New York and its Buffalo Branch as at the close of business October 11, 1924.

Referred to the Committee on Examinations and Committee on District #2.

Report of Examination of the Federal Reserve Bank of Philadelphia as at the close of business November 8, 1924.

Referred to the Committee on Examinations and Committee on District #3.

Report of Examination of the Federal Reserve Bank of Atlanta and its branches and agencies, as at the close of business November 22, 1924.

Referred to the Committee on Examinations and Committee on District #6.

Mr. Miller then referred to the Board's discussion of the minutes of the meeting of the Open Market Investment Committee held on January 9th and inquired what action it was intended to take.

After discussion, consideration of the report was made special order for a meeting tomorrow at 11:00 o'clock.

REPORTS OF STANDING COMMITTEES:

Dated, January 15th, Recommending approval of the application of Mr. William B. Prenter to serve at the same time as Vice President and director of the Brotherhood of Locomotive Engineers Cooperative National Bank of Cleveland, Ohio and as director of the Empire Trust Company of New York City.

Approved.



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REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, January 15th, Recommending approval of the application of Mr. Warren S. Stone to serve at the same time as President and director of the Brotherhood of Locomotive Engineers Cooperative National Bank of Cleveland, Ohio and as President and director of the Brotherhood of Locomotive Engineers Trust Company of New York City and as director of the Empire Trust Company of New York City.

Approved.

Dated, January 15th, Recommending approval of the application of Mr. Meyer Kussy to serve at the same time as President and director of the South Side National Bank and Trust Company of Newark, N.J. and as President and director of the West Side Trust Company, Newark, N.J.

Approved.

Dated, January 15th, Recommending approval of the application of Mr. Ray E. Mayham to serve at the same time as Vice President and director of the South Side National Bank and Trust Company of Newark, N.J. and as Vice President and director of the West Side Trust Company, Newark, N.J.

Approved.

Dated, January 15th, Recommending approval of the application of Mr. William L. Morgan to serve at the same time as director of the National Newark & Essex Banking Company, Newark, N.J. and as director of the South Side National Bank and Trust Company of Newark, Newark, N.J.

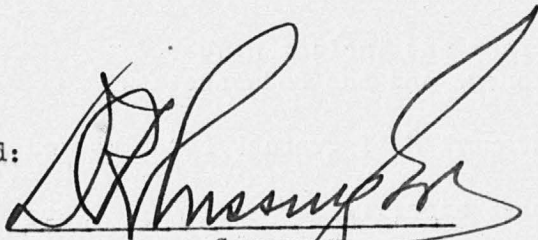
Approved.

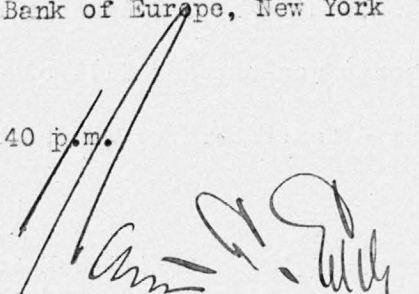
Dated, January 15th, Recommending approval of the application of Mr. Michael Pilmacek to serve at the same time as director of the Little Neck National Bank of Little Neck, Long Island, N.Y. and as director of the Bank of Europe, New York City.

Approved.

The meeting adjourned at 12:40 p.m.

Approved:

  
Governor.

  
Secretary.