

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, January 21, 1925 at 11:10 a.m.

- PRESENT: Governor Crissinger
- Mr. Platt
- Mr. Hamlin
- Mr. Miller
- Mr. Cunningham
- Mr. Noell, Assistant Secretary

The minutes of the meeting of the Federal Reserve Board held on January 19th were read and approved as amended.

Mr. Miller moved that the Board reconsider its action in voting that Mr. Trowbridge be not employed by the Board in connection with the Birmingham building.  
Carried.

Mr. Miller then moved that it is the sense of the Board that, as in all previous building projects, the Board before approving plans for the Birmingham building, submit them to a consulting architect and that for this purpose the Governor ascertain upon what terms Mr. Trowbridge will look over the plans of the Birmingham project when completed, with a view of advising the Board whether there is anything in them that should not be approved.

By unanimous consent, action on the above motion was deferred pending the return of Mr. James.

The minutes of the meeting of the Federal Reserve Board held on January 20th were read and approved.

At this point, Mr. McIntosh entered the meeting.

Bond of Mr. Oliver A. Lesmon, Assistant Federal Reserve Agent at the Oklahoma City Branch of the Federal Reserve Bank of Kansas City in the amount of \$50,000.

Approved.

Telegram dated January 20th from the Federal Reserve Agent at Minneapolis, advising of the reappointment of Mr. George H. Prince as member of the Federal Advisory Council from the 9th Federal Reserve District for the

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year 1925.

Noted.

Telegram dated January 20th from the Federal Reserve Agent at Dallas, advising of the reelection of Mr. W. M. McGregor as member of the Federal Advisory Council from the 11th Federal Reserve District for the year 1925 and the election of Mr. Andrew Querbes, President of the First National Bank of Shreveport, La., as alternate member.

Noted.

Memorandum dated January 20th from the Chief Examiner recommending acceptance of the resignation of Mr. R. M. Chapman as Federal Reserve Examiner, effective January 31, 1925, and requesting authority to fill the vacancy caused by Mr. Chapman's resignation at a salary not in excess of what he was receiving --\$5,000 per annum.

Upon motion, the resignation of Mr. Chapman was accepted and the matter of filling the vacancy was referred to the Committee on Examinations.

Letter dated January 19th from the Comptroller of the Currency, advising of the resignation of Mr. Otis M. Hester, Assistant Teller in the Federal Reserve Issue and Redemption Division, effective January 15, 1925.

Noted.

Letter dated January 19th from the Comptroller of the Currency, advising of the transfer of Mr. G. A. Gailles, Schedule Clerk in the Federal Reserve Issue and Redemption Division, to the position of Assistant Teller, without change in salary, effective January 20th.

Noted.

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Letter dated January 19th from the Comptroller of the Currency, advising of the appointment of Mr. J. T. Pelton as Schedule Clerk in the Federal Reserve Issue and Redemption Division at a salary of \$1200 per annum, effective January 20, 1925.

Noted, with approval.

Memorandum dated January 21st from Counsel, recommending approval of the application of Mr. David T. Beals for permission to serve at the same time as Vice President and Director of the Interstate National Bank of Kansas City, Mo., and as director of the First National Bank of Carrizozo, New Mexico; the Board in 1920 having granted Mr. Beals permission to serve as Vice President of the former institution and director of the latter.

Approved.

Memorandum dated January 20th from General Counsel, submitting for publication in the forthcoming issue of the Federal Reserve Bulletin a copy of the opinion in the so-called Pascagoula National Bank case, together with a brief explanatory statement.

Approved.

Letter dated January 17th from Mr. D. M. Irwin of Detroit, Michigan, requesting information regarding the Open Market transactions of the Federal Reserve banks.

Referred to the Governor with power.

At this point, Mr. McIntosh left the meeting.

Report of Committee on Salaries, Expenditures and Efficiency on the



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matter referred to it at the meeting on January 19th, namely, letter dated January 16th from the Deputy Governor of the Federal Reserve Bank of Kansas City, with regard to continued membership by that bank in the American Acceptance Council which has been maintained with the approval of the Board and the rate for which during 1925 will be \$300; the Committee calling attention to the position taken by the Board in November 1922 that the work of the Council was then of considerable importance and its action in voting to make no objection to the payment of dues up to \$500 by the Federal Reserve banks; and submitting the question of policy involved to the members of the Board for a decision.

After full discussion of the matter, it was referred back to the Committee on Salaries, Expenditures and Efficiency with the suggestion that the opinion of other Federal Reserve banks be secured.

Letter dated January 19th from the Deputy Governor of the Federal Reserve Bank of New York, advising that on that date \$125,000 in United States gold coin was earmarked for account of the Badische Bank, Karlsruhe, Germany.

Noted.

Report of Committee on Examinations on letter dated January 19th from the Federal Reserve Agent at Richmond on the subject of the proposed consolidation of the Baltimore Trust Company and the Atlantic Exchange and Trust Company, both of Baltimore, under the name of the Baltimore Trust Company; the Board's Committee recommending approval.

Approved.

Memorandum dated January 19th from the Division of Examination approved by Counsel, on letter dated January 16th from the Federal Reserve Agent at

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Richmond, referring to the Board's action in approving the absorption by the Home Bank of St. Matthews, S. C. a member bank, of the Farmers Bank and Trust Company of St. Matthews, a non-member bank, and advising that the consolidation will be effected under the name of the member bank but with a new charter; the memorandum recommending that the Federal Reserve Agent be advised that the membership of the Home Bank of St. Matthews terminated with its old charter and that an application from the new bank should be required if it desires to become a member of the System.

Upon motion, the above recommendation was approved.

The Law Committee then reported on the matter referred to it at the meeting on January 6th and submitted a memorandum dated January 17th from Counsel on the subject of the date upon which organization certificates of the Federal Reserve banks were filed; Counsel recommending adoption by the Board of the following resolution:

"WHEREAS, one of the Federal Reserve banks wishes to be advised as to the expiration date of its charter; and

WHEREAS, under the provisions of the Federal Reserve Act a Federal reserve bank is authorized to have succession for a period of twenty years from its organization which is completed upon filing of the organization certificate with the Comptroller of the Currency;

NOW, THEREFORE, BE IT RESOLVED that the Federal Reserve Board hereby requests the Comptroller of the Currency to advise the said Board on what date or dates the organization certificates of the several Federal reserve banks were filed with him as shown by the records of his office, or, if not so shown, then to advise the said Board of the date or dates upon which the said certificates must be considered to have been so filed, in the light of any evidence to be found in the correspondence on file or in the records of the several Federal reserve banks."

Adopted.

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Memorandum from the Secretary on letter dated January 10th from the Assistant Secretary of the Treasury, transmitting a memorandum from the Commissioner of the Public Debt on the subject of control over paper currency issues; the Secretary pointing out that the procedure outlined in the memorandum requires the approval of the Board to continuing as at present its co-operation with the Treasury Department in the matter of assisting the Treasury in the distribution of its paper currency issues among the Federal Reserve banks and branches, in the form of daily deposits with the banks and branches to the credit of the Treasurer of the United States and further as to the service of the Secretary of the Board on the Control Currency Board, the other members of which are the Assistant Secretary of the Treasury in charge of fiscal matters and the Commissioner of the Public Debt.

Approved.

Memorandum dated January 21st from the Secretary on letter dated December 29th from the Governor of the Federal Reserve Bank of Minneapolis on the subject of cancellation of stock of the First National Bank, Bisbee, North Dakota, the Citizens National Bank, Jamestown, North Dakota, the Citizens National Bank, Sisseton, South Dakota and the First National Bank of Taylor, North Dakota; the Secretary recommending -

(1) With reference to the reserve bank stock owned by the First National Bank of Bisbee, North Dakota, and the Citizens National Bank, of Jamestown, North Dakota, both insolvent, that the Federal Reserve Agent at Minneapolis be not required to insist at this time upon applications for surrender of stock in view of the fact that the officers of the Minneapolis bank appear to have good reason to believe that both of these institutions will reopen, but that the Agent be advised, that unless the banks are reopened on or before June 30, 1925, steps must be taken to cancel the stock.



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(2) With reference to the Citizens National Bank, Sisseton, South Dakota, which was declared insolvent in March, 1924, and reopened on December 16, 1924, that the action of the reserve bank in refraining from requiring the receiver to file application for cancellation of reserve bank stock within six months following the date of insolvency, be approved by the Board.

(3) With reference to the stock held by the First National Bank, Taylor, North Dakota, in voluntary liquidation, the Federal Reserve Board on January 16th, upon recommendation of the Comptroller of the Currency, approved the reserve bank carrying the stock and paying dividends thereon until such time as the Comptroller has issued formal notice of liquidation of the First National Bank of Taylor.

Upon motion, the recommendations of the Secretary were approved.

Memorandum dated January 20th from Counsel on the subject of the service of Mr. O. H. Cheney on the Pacific Bank, the American Exchange National Bank, and the American Trust Company of New York City and the Scarsdale National Bank of Scarsdale, N.Y.; Counsel pointing out that Mr. Cheney is now serving the four banks, all of which are within the prohibitions of the Clayton Act, and that in his opinion the Board has already waited a reasonable time for a contemplated merger of the American Exchange National Bank and the Pacific Bank, and that Mr. Cheney should be required immediately to resign from one of those institutions and to submit an application to serve the other three.

After discussion, it was voted that for the present the Board should take no action to force the resignation of Mr. Cheney from any of the banks concerned.

The Governor then presented the matter ordered circulated at the meeting on January 19th, namely, memorandum dated January 17th from the Board's General Counsel submitting copy of opinion in the case of the Capital Grain and Feed

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Company v. Federal Reserve Bank of Atlanta and transmitting an inquiry from Counsel of the Federal Reserve Bank whether this case should be appealed in the interest of the Federal Reserve System as whole.

After discussion, by unanimous consent, Mr. Miller moved that the matter be referred to the Governor and that he be authorized to consult with special counsel regarding the desirability of an appeal.

Carried.

Mr. Miller then stated that Mr. Russell Lowry, Vice President of the American Bank of San Francisco was in the city and referred to the action of the Board on January 8th in voting to grant to that institution a hearing regarding its application for permission to establish three branches de novo in Oakland, which was disapproved by the Board.

Upon motion, the matter of arranging a hearing for Mr. Lowry was referred to the Governor with power.

Mr. Miller then referred to the stenographic report of the meeting with the Open Market Investment Committee in Washington on December 19th and stated that he had not voted in favor of the motion by Mr. Hamlin that the Board note with approval the report of the Committee, including its proposed future action as contained in a statement of the Chairman, which was recorded as being unanimously carried.

Upon motion by Mr. Hamlin, the stenographic report was amended by striking out the word "unanimously".

REPORTS OF STANDING COMMITTEES:

Dated, January 19th, Recommending changes in stock at Federal Reserve  
20th, banks as set forth in the Auxiliary Minute Book  
of this date.

Approved.



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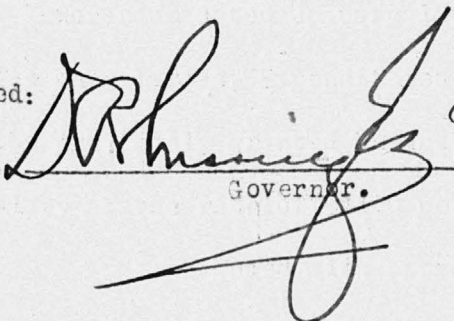
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REPORTS OF STANDING COMMITTEES (Cont'd)

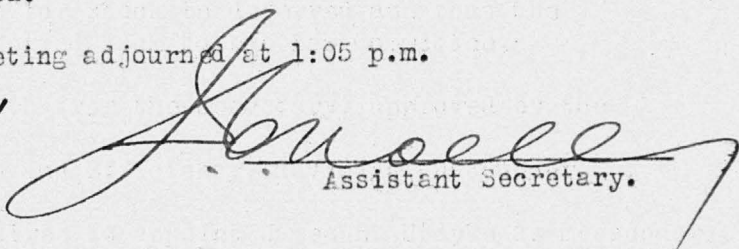
- Dated, January 21st, 21st, 21st, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.  
Approved.
- Dated, January 21st, 21st, 21st, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.  
Ordered held.
- Dated, January 21st, 21st, 21st, Recommending approval of the application of Mr. John Russell to serve at the same time as director and officer of the Ashland National Bank, Ashland, Ky., and as director of the Kentucky National Bank, Catlettsburg, Ky.  
Approved.
- Dated, January 21st, 21st, 21st, Recommending approval of the application of Mr. Malcolm G. Chace to serve at the same time as director of the Chase National Bank of New York City, and of the Old Colony Trust Company of Boston, Mass. and of the Phenix National Bank of Providence, R. I.  
Approved.
- Dated, January 21st, 21st, 21st, Recommending approval of the application of Mr. Charles Russell to serve at the same time as director of the Ashland National Bank of Ashland, Ky. and as director and officer of the Kentucky National Bank of Catlettsburg, Ky.  
Approved.
- Dated, January 21st, 21st, 21st, Recommending approval of the application of Mr. J. A. Lewis to serve at the same time as President and director of the Republic National Bank, St. Louis, Mo. and as Vice President and director of the Franklin Bank of St. Louis, Mo.  
Approved.
- Dated, January 21st, 21st, 21st, Recommending approval of the application of Mr. John C. Spencer to serve at the same time as director of the Irving Park National Bank and of the Portage Park National Bank, both of Chicago.  
Approved.

The meeting adjourned at 1:05 p.m.

Approved:



Governor.



Assistant Secretary.