

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, February 3, 1925, at 11:10 a.m.

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

PRESENT ALSO: Hon. R. A. Cooper, Commissioner and
Hon. C. S. Lobbell, Fiscal Agent of
the Federal Farm Loan Board
Mr. Wyatt, General Counsel
Mr. Stewart, Director of the Division
of Research and Statistics.

Messrs. Cooper and Lobbell presented to the Board a proposed amendment to Section 13 (a) of the Federal Reserve Act making debentures of Federal Intermediate Credit Banks eligible for rediscount by Federal Reserve banks and as collateral for loans to member banks, calling attention to the fact that such debentures may be bought and sold by Federal Reserve banks under the provisions of the Act as it now stands. Judge Lobbell stated that this amendment was desired particularly to permit the use of Federal Intermediate Credit Bank debentures as collateral security for member banks' fifteen-day notes.

After Messrs. Cooper and Lobbell had left the meeting discussion ensued as to the desirability of an amendment to the Federal Reserve Act such as proposed by them, following which it was voted to refer the proposal to the Law Committee for report at the next meeting of the Board.

Messrs. Wyatt and Stewart then withdrew from the room.

The minutes of the meeting of the Federal Reserve Board held on

2/3/25

-2-

January 30th were read and approved as amended.

The Secretary stated that the minutes of the meeting of December 23rd, 1924 had been circulated among all members of the Board and upon motion these minutes were formally approved.

Telegram dated February 2nd from the Federal Reserve Agent at San Francisco, inviting the members of the Board to attend a conference of directors of branches of the Federal Reserve Bank of San Francisco to be held at the head office on February 20th.

Noted.

Memorandum dated January 30th from the Director of the Division of Research and Statistics, approved by the Committee on Salaries, Expenditures and Efficiency, recommending the appointment of Miss Alice M. Taylor as statistical clerk in the Division, with salary at the rate of \$1600 per annum effective February 1, 1925.

Approved.

Telegram dated February 2nd from the Federal Reserve Agent at Minneapolis, advising that all departments of the bank were on that date operating satisfactorily in their new building and that all cash and securities had been safely moved without any difficulty.

Noted.

Letter dated January 27th from the Federal Reserve Agent at San Francisco, advising that the Pacific Southwest Trust and Savings Bank of Los Angeles on January 24, 1925 opened the branch at 3222 South Main Street, Los Angeles, approved by the Board on April 16, 1924.

2/3/25

-3-

Noted.

Report of Committee on Examinations on letter dated January 31st from the Federal Reserve Agent at Cleveland, recommending approval of the application of the Union Trust Company, Cleveland, for permission to establish a branch at the intersection of Cedar and Lee Roads, Cleveland Heights; the Committee also recommending approval.

Approved.

Report of Committee on Examinations dated February 3rd, recommending that the Board reconsider action taken by it on December 2, 1924 and approve the application of the American Bank, San Francisco, for permission to establish three branches de novo in the city of Oakland at Santa Clara and Grand Avenues, East 18th Street and Park Boulevard, and 73rd Avenue and East 14th Street.

Mr. Hamlin moved that the Board reconsider its action of December 2, 1924 in disapproving the above application.

Mr. Hamlin's motion being put by the chair was carried, Mr. Cunningham voting "no".

Mr. Hamlin then moved that the Board approve the application of the American Bank of San Francisco for permission to establish the three branches above mentioned.

Mr. Hamlin's motion being put by the chair was carried, the members voting as follows:

Mr. Platt, "aye"
Mr. Hamlin, "aye"
Mr. Miller, "aye"
Mr. James, "aye"
Mr. Cunningham, "no"
Mr. McIntosh, "no"
Governor Crissinger, "not voting"

2/3/25

-4-

The Governor then submitted draft of a letter to the Federal Reserve Agent at San Francisco, prepared in accordance with action taken at the meeting on January 30th, with regard to the desirability of a separate conference of Federal Reserve Agents with the Board.

Approved.

Letter dated February 2nd from the Deputy Governor of the Federal Reserve Bank of New York, transmitting letter from the Bank of Poland, Warsaw, inquiring as to the conditions on which the Federal Reserve bank would open an account in its name, and stating that subject to the Board's approval the officers of the Federal Reserve bank have been authorized by the Board of Directors to establish relations with the Bank of Poland along the same general lines as the relations already established with other foreign central banks.

Upon motion by Mr. Hamlin, it was voted to interpose no objection to the Federal Reserve Bank of New York opening an account in the name of the Bank of Poland.

Draft of reply prepared by Counsel to letter dated January 29th from Mr. L. H. Potzler, inquiring as to the rate of discount on ninety-day commercial paper in connection with a loan on his adjusted service certificate; the proposed reply advising of the present rate at the Federal Reserve Bank of Richmond, but stating that loans on adjusted service certificates can not be secured until two years after the date of such certificates and then at national banks, state banks or trust companies at a rate $2\frac{1}{2}\%$ above the Federal Reserve bank rediscount rate.

2/3/25

-5-

Approved.

The Governor then presented the matter ordered circulated at the meeting on January 30th, namely, memorandum dated January 29th from the Assistant Counsel with regard to the action of the General Accounting Office in disallowing items of the Board's Fiscal Agent to cover payment of rent for space leased in the Otis building, payments for certain books and periodicals to which the Board subscribes and payment for certain binders used by the Board's Examiners; Counsel submitting memoranda regarding the suspended items for inclusion in a letter to be addressed to the General Accounting Office by the Fiscal Agent.

Noted with approval.

Letter dated January 31st from the Comptroller of the Currency, advising of the dates on which the organization certificates of the several Federal Reserve banks were filed with the Comptroller of the Currency.

Noted.

At this point, Mr. McIntosh left the meeting.

Memoranda dated February 2nd addressed to the Governor by General Counsel, with reference to the matter referred to the Governor at the meeting on January 21st, namely, the question of an appeal in the case of the Capital Grain and Feed Company v. Federal Reserve Bank of Atlanta; Counsel stating that the case is in the best possible shape for appeal and in his opinion should be appealed, but that he can see no advantage to be gained from the employment of special counsel to assist in the trial.

After discussion, upon motion by Mr. Hamlin, it was voted that an appeal should be taken.

2/3/25

-6-

Mr. Platt, on behalf of the Executive Committee, then discussed with the members of the Board the matter of topics to be submitted to the Federal Advisory Council for consideration at their meeting on February 16th.

After discussion of the topics suggested by the Vice Governor, he was requested to address a letter to the President of Council transmitting same.

REPORTS OF STANDING COMMITTEES:

- Dated, January 31st, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.
Approved.
- Dated, February 2nd, Recommending action on application 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.
- Dated, February 2nd, Recommending approval of the application of Mr. Albert H. Harmon to serve at the same time as director of the Merchants National Bank of St. Paul, Minn. and as director of the Capital National Bank of St. Paul, Minn.
Approved.
- Dated, February 2nd, Recommending approval of the application of Mr. Geo. W. Robinson to serve at the same time as director of the Merchants National Bank of St. Paul, Minn. and as director of the Capital National Bank of St. Paul, Minn.
Approved.
- Dated, February 2nd, Recommending approval of the application of Mr. Andrew G. Horn to serve at the same time as director of the Drovers National Bank of Denver, Col., as director of the First National Bank of Deer Trail, Col., and as director and officer of the Central Savings Bank and Trust Company of Denver, Col.
Approved.
- Dated, February 2nd, Recommending approval of the application of Mr. Nathan Rieger to serve at the same time as director of the Stock Yards National Bank of Kansas City, Mo. and as director and Treasurer of the Home Trust Company of Kansas City, Mo.
Approved.
- Dated, February 2nd, Recommending approval of the application of Mr. F. G. Babb to serve at the same time as director of the First National Bank of Calumet, Okla., as director and officer of the Security National Bank of Oklahoma City, Okla. and as director and officer of the First National Bank of the First National Bank of Moore, Okla.
Approved.

2/3/25

-7-

REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, January 28th, Recommending approval of the application of Mr. Wm. C. Cummings to serve at the same time as director of the Foreman National Bank of Chicago, Ills., as President and director of the Drovers National Bank of Chicago, Ills., and as President and director of the Drovers Trust and Savings Bank of Chicago, Ills.

Approved.

Dated, January 28th, Recommending approval of the application of Mr. L. B. Patterson to serve at the same time as director of the Foreman National Bank of Chicago, Ills. as director of the Drovers National Bank of Chicago, Ills. and as director of the Drovers Trust and Savings Bank of Chicago, Ills.

Approved.

Dated, January 28th, Recommending approval of the application of Mr. Samuel Phillipson to serve at the same time as director of the Foreman National Bank of Chicago, Ills. and as Vice President and director of the Schiff Trust and Savings Bank of Chicago, Ills.

Approved.

Dated, January 30th, Recommending approval of the application of Mr. Adelbert W. Mears to serve at the same time as director of the National Marine Bank of Baltimore, Md. and as director of the Commerce Trust Company of Baltimore, Md.

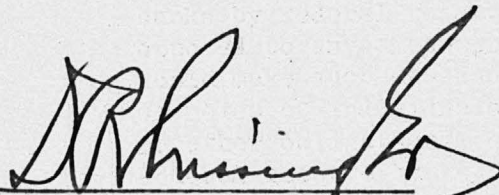
Approved.

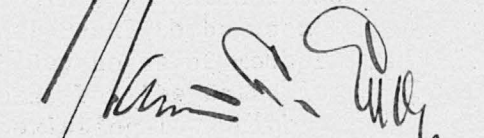
Dated, January 30th, Recommending refusal of the application of Mr. Charles M. Blackmar to serve at the same time as director of the Columbia National Bank, Kansas City, Mo. and as director of the Twelfth Street National Bank, Kansas City, Mo.

Refused.

The meeting adjourned at 12:45 p.m.

Approved:


Governor.


Secretary.