

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, February 18, 1925, at 11:05 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on February 17th were read and approved.

Report of Committee on Examinations on memorandum dated February 17th from the Acting Comptroller of the Currency, recommending approval of the application of the First National Bank of Palco, Kansas, for permission to reduce its capital stock from \$75,000 to \$50,000; the Committee also recommending approval.

Approved.

Letter dated February 10th from the Federal Reserve Agent at San Francisco, replying to the Board's letter of February 3rd with reference to the desirability of holding separate conferences of Federal Reserve Agents; the Federal Reserve Agent suggesting that it might be well for the Board to call a separate conference of Federal Reserve Agents at such time as is deemed advisable, as a test of efficacy, and let the Board's subsequent policy as to joint or separate conferences be determined by such a test.

After discussion, Mr. Platt moved that the Board invite Mr. Perrin, after consultation with other Federal Reserve Agents, to submit what he would regard as a typical program for a separate Federal Reserve Agents' Conference and to make suggestions as to the ways the Agents believe they can be of more help to the Board and more service to the banks at the time of such conferences.

Carried.

2/18/25

-2-

Draft of letter to the Federal Reserve Agent at Philadelphia, suggesting certain revisions in the text of his Annual Report to the Board for the year 1924.

After discussion, Mr. Platt moved that the report be accepted and that the Federal Reserve Agent at Philadelphia be advised that it may be released for publication with the revisions suggested by the Board.

Carried.

Report of Committee on Salaries, Expenditures and Efficiency on the subject of expenditures of Federal Reserve bank funds for welfare and educational work; the Committee recommending (1) That the proposal that each Federal Reserve bank budget annually expenditures to be made for so-called educational and welfare work among employees be not carried out at this time; (2) That the Board consider each of the many items which now fall under the classification of extraordinary expenditures and record itself as to the propriety or impropriety of same; and (3) That a list of such approved extraordinary expenditures be furnished to the Board's Chief Examiner and to the Chief of the Division of Bank Operations with instructions to report to the Board any expenditure for an approved purpose which may be out of line or any extraordinary expenditure not on the approved list.

Upon motion by Mr. Platt, it was voted to accept the Committee's report and to approve the recommendations contained therein, but that the matter of the Board approving a list of proper expenditures should be taken up at a meeting early next week and that in the meantime there should be circulated among the members the list of extraordinary items for which the Federal Reserve banks now make expenditures, contained in the Committee's report.

Memorandum dated February 11th from the Chief of the Division of Bank Operations, approved by the Committee on Salaries, Expenditures and

2/18/25

-3-

Efficiency, recommending that the Board discontinue publication of discounts of the Federal Reserve banks classified as to character, based upon maturity, but that this compilation be continued for the Board's own information and further that there be compiled regularly for the information of the Board, but not for publication, a classification of discounts according to the size of cities in which the borrowing banks are located.

Ordered circulated.

Mr. Miller called attention to the following excerpt from the report of the Federal Advisory Council made at its meeting on February 16th:

"No recommendations with regard to increases in discount rates were made except that it was thought that the Federal discount rate in New York, now being below the open market rate, might be brought in line by an increase of 1/2 per cent, from 3 per cent to 3 1/2 per cent, in the near future."

Mr. Miller also read to the Board that portion of the report of the Council relating to the open market operations of the Federal Reserve System and their effect upon the rediscounts of the banks.

After discussion, Mr. Miller moved that the recommendation of the Council and its observations should be transmitted to the directors of the Federal Reserve Bank of New York with the request that they give the matter consideration and advise the Board of their views and any recommendation they may think proper.

Carried.

Mr. Miller then stated that he was planning to leave Washington tomorrow to be gone until the first of March and inquired as to the probable date of the next meeting of the Open Market Investment Committee.

The Secretary reported that he was advised by the Chairman of the Committee that plans were being made for an early meeting of the Committee, the details of which would be discussed with the Governor of the Board who expects to go to New York tomorrow.

2/16/25

-4-

REPORTS OF STANDING COMMITTEES:

Dated, February 17th, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.

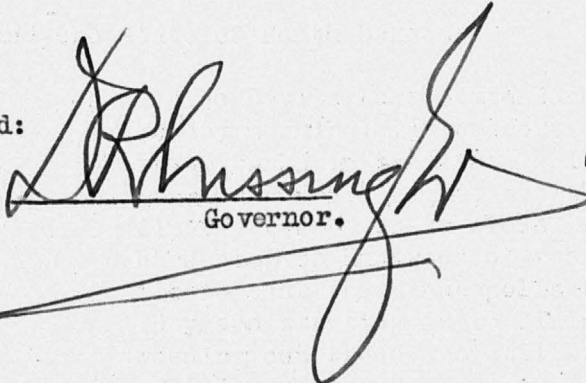
Approved.

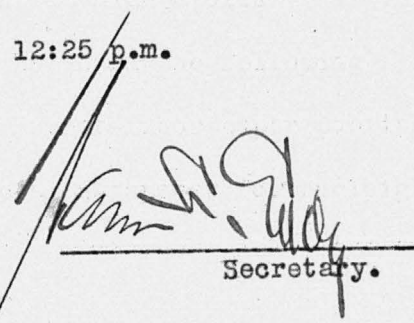
Dated, February 18th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Ordered held.

The meeting adjourned at 12:25 p.m.

Approved:

  
Governor.

  
Secretary.