

Upon call of the Vice Governor a special meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, March 16, 1925 at 12:00 o'clock.

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

The minutes of the meeting of the Federal Reserve Board held on March 10th were read and approved as amended.

In presenting applications for changes in stock at Federal Reserve banks, the Vice Governor called particular attention to the application of the New First National Bank in Oakland, California, for original stock in the Federal Reserve Bank of San Francisco. Thereupon ensued a discussion as to the desirability of permitting newly organized national banks to be chartered under a name the same as or similar to that used by another institution recently closed or liquidated and of the probability of misunderstanding and error arising from the use of such names.

Upon motion, it was voted that the Vice Governor be instructed to prepare draft of a letter to the Comptroller of the Currency advising him that in the opinion of the Board such similar names should not be used within less than five, and certainly not less than three, years after the date of the closing of the bank originally having such name, and further, that action on the above application be deferred until such time as this matter has been taken up with the Comptroller of the Currency.

Letter dated March 6th from the Assistant Federal Reserve Agent at San Francisco, advising that the Pacific Southwest Trust and Savings Bank

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of Los Angeles on March 2nd moved to a permanent location at 3897 South Western Avenue, the branch approved by the Board on April 25, 1924, which has been temporarily located at 1577 West 39th Street.

Noted.

Letter dated March 10th from the Federal Reserve Agent at San Francisco, advising that the Pacific Southwest Trust and Savings Bank on March 7th opened at 4701-03 Moneta Avenue, Los Angeles, the branch approved by the Board on February 14, 1924.

Noted.

Letter dated March 12th from the Chairman of the Federal Reserve Bank of Kansas City, advising that the action of the board of directors of that bank, taken on December 11, 1924, in re-electing Mr. E. F. Swinney as member of the Federal Advisory Council for the year 1925 has been amended so as to provide for Mr. Swinney's re-election for the year 1925 "and until his successor has been appointed".

Noted, with approval.

Letter dated March 11th, addressed to the Secretary of the Board by the Acting Chief Clerk of the Treasury Department, recommending that the salary of Miss Katherine Burke, carried on the Board's rolls as Assistant Chief Telephone Operator, be increased from \$1400 to \$1500 per annum, effective March 16, 1925; the Secretary of the Board also recommending approval of such an increase.

Approved.

Report of Committee on Examinations on memorandum dated March 11th

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from the Acting Comptroller of the Currency, recommending approval of the application of the First National Bank of White Deer, Texas, for permission to reduce its capital from \$45,000 to \$25,000 on condition that all funds released by the reduction are, with the unanimous consent of the shareholders, retained in the bank in the form of surplus or undivided profits, except of course, so far as they may be used in eliminating undesirable assets or probable losses, any items charged off to remain as assets of the bank; the Committee also recommending approval.

Approved.

Report of Committee on Examinations on letter dated March 12th from the Federal Reserve Agent at Cleveland, transmitting and recommending approval of the application of the Union Trust Company of Cincinnati to operate as a branch the office of the First National Bank of Madisonville, recently purchased by the Company; the Committee also recommending approval.

Approved.

Letter dated March 11th from the Deputy Governor of the Federal Reserve Bank of New York, advising that under arrangements previously submitted to the Board, an account was opened in the name of the Agent General for Reparation Payments on March 7th by means of a deposit of approximately \$404,000, and that purchase is being made out of the amount of \$350,000 of United States treasury certificates maturing September 15, 1925, and further that participation in this account is being offered all Federal Reserve banks.

Noted.

Report of Executive Committee on letter dated March 6th from the

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Chairman of the Federal Reserve Bank of Chicago, transmitting application of the following named outlying member banks in Chicago for reduction in reserve requirements from 13% to 10% of demand deposits; the Executive Committee also recommending approval.

Twenty-Sixth Street State Bank
The Douglass National Bank of Chicago
Auburn Park Trust and Savings Bank
The Portage Park National Bank
Broadway National Bank
The Ogden National Bank
Jackson Park National Bank

Approved.

The Vice Governor then presented the matter referred to the Executive Committee at the meeting on March 10th, namely, memorandum dated March 7th addressed to the Governor by the Secretary of the Board with reference to letter of February 18th from the Secretary of the Federal Reserve Bank of Cleveland, regarding the action of that bank in classifying as an outlying district, the neighborhood in which is located the Lorain Street Savings and Trust Company, which has under consideration an application for membership in the event it can secure at the same time a reduction in its reserve requirements from 10% to 7% of demand deposits; the Secretary recommending that the Board consider amending its ruling that a bank applying for a reserve reduction shall have been a member of the Federal Reserve System and in operation as such for a period of at least one year, so as to permit the granting of reduced reserve requirements to state banks in outlying districts which have been in operation for more than a year and which desire to join the System.

After discussion, upon motion by Mr. Hamlin, it was voted that action in the above matter be deferred pending a report by the Secretary as to the size and

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character of business of the Lorain Street Savings and Trust Company and other banks in Cleveland which have already been granted a reduction in their reserves.

Mr. Miller then moved that the Board reconsider its action in voting to approve reductions from 13% to 10% of demand deposits in the reserve requirements of the seven outlying member banks in Chicago listed above.

Mr. Miller's motion being put by the chair was lost, Mr. Miller voting "aye".

Letter dated March 13th from the Chairman of the Federal Reserve Bank of New York, advising that the directors of that bank have again considered the application of the Liberty National Bank in New York for permission to exercise general fiduciary powers, previously disapproved by the Board and renewed by the bank, and unanimously recommend that the application be denied.

Referred to the Law Committee.

The Vice Governor then presented copy of a letter addressed on March 14th, on the initials of members of the Board, to the Federal Reserve Agent at Dallas suggesting certain revisions in his Annual Report and advising that with these modifications the report may be released for publication.

Upon motion, the above letter was formally approved.

Draft of letter to the Governors of all Federal Reserve banks on the subject "Expenditures of Federal Reserve Bank Funds for Welfare and Educational Work".

Approved.

At this point, Mr. Miller left the meeting.

Memorandum dated March 11th from the Board's Chief Examiner, with re-

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gard to the matter referred to him at the meeting on December 17th, namely, letter dated December 4th from the Chairman of the Federal Reserve Bank of San Francisco, transmitting copy of a memorandum addressed to the Board of Directors of that bank by his Chief Examiner, concerning the sufficiency of examinations of state member banks by the California State Banking Department, based upon the observation of the recent simultaneous examination of the Bank of Italy; the Board's Examiner stating that nothing has been developed by the Chief Examiner of the Federal Reserve Bank of San Francisco, nor is there anything apparent to him after a close study of the report of examination, that would indicate that the action of the San Francisco directors in voting to accept examinations made by the State Department, as well as the reports thereof, in lieu of examinations and reports made by examiners approved by the Federal Reserve Board, is anything but justifiable and proper in the circumstances.

Ordered circulated.

Letter dated March 14th from the Federal Reserve Agent at Richmond, advising of the resignation of Mr. W. R. Seal, one of the Bank's examiners, who will not be replaced, and recommending approval of an increase from \$2400 to \$3,000 per annum in the salary of Examiner J. C. Seabury, effective April 1st.

Approved.

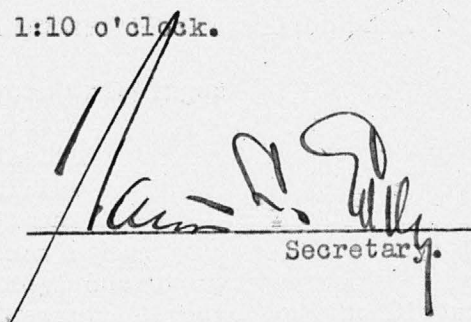
REPORTS OF STANDING COMMITTEES:

Dated, March 11th, Recommending changes in stock at Federal Reserve Banks
12th, as set forth in the Auxiliary Minute Book of this date.
Approved.

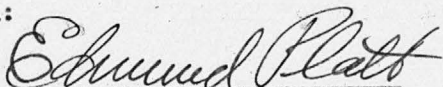
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The meeting adjourned at 1:10 o'clock.


Secretary.

Approved:


Vice-Governor.