

Upon call of the Governor, a special meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, April 3, 1925 at 11:00 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 March 31st were read and approved as amended.

Letter dated March 27th from the Federal Reserve Agent at San Francisco recommending approval of an application of the Pacific Southwest Trust and Savings Bank for permission to move its branch at 5407 Whittier Boulevard, Los Angeles, to a new location at 4645 Whittier Boulevard.

Approved.

Letter dated March 30th from the Chairman of the Federal Reserve Bank of New York, requesting approval of the designation of Mr. Howell M. Stillman as Chief Examiner and the designation as Examiners of Messrs. R. M. Gidney, H. H. Wighton, Benjamin M. Byrns, Henry D. Raasch and Henry Z. Persons.

Approved.

Letter dated April 1st from the Federal Reserve Agent at Atlanta, advising of the resignation, effective April 15th, of Mr. Lawson Brown, Assistant Federal Reserve Agent and Auditor at the New Orleans Branch and requesting approval of the designation as Assistant Federal Reserve Agent and Assistant Auditor of Mr. W. E. Miller, now Acting Assistant

4/3/25

-2-

Federal Reserve Agent, with salary at the rate of \$200 per month.

Upon motion, it was voted to approve the designation of Mr. Miller as Assistant Federal Reserve Agent and Assistant Auditor, to be effective until June 30, 1925, in accordance with the policy adopted by the Board at the beginning of the year.

Letter dated April 1st from the Federal Reserve Agent at Chicago, advising of the resignation of Mr. Charles F. Riddell, Examiner, effective April 30, 1925, and advising of the probable employment to succeed him of Mr. N. B. Shaffer, Chief Examiner for the State of Iowa.

Mr. Cunningham stated that Mr. Heath had communicated with him regarding the employment of Mr. Shaffer, and the above letter was therefore referred to him.

Memorandum dated April 2nd from the Division of Examination with reference to letter dated March 30th from the Assistant Federal Reserve Agent at Dallas, enclosing certified copy of an amendment to the charter of the First Guaranty State Bank of Seymour, Texas, authorizing it to change its name to the First State Bank of Seymour, Texas, and transmitting a request of the bank for a new certificate of membership in its new name; the memorandum from the Division of Examination recommending approval of the issuance of a new certificate.

Approved.

Memorandum dated April 1st from Counsel on the subject of the forfeiture of membership by the Farmers and Merchants State Bank of Hecla, South Dakota; Counsel submitting drafts of letters to the bank and to the Federal Reserve Agent at Minneapolis stating that in that the bank has failed continuously from January, 1921 to February, 1925 to maintain with the Federal Reserve Bank of Minneapolis the reserve required

4/3/25

-3-

by Section 19 of the Federal Reserve Act, a hearing will be held in the offices of the Board on May 4, 1925, at which a duly appointed representative or representatives of the bank are requested to appear to show cause why it should not be required to surrender its stock in the Federal Reserve Bank of Minneapolis and to forfeit all rights and privileges of membership in the Federal Reserve System, and further that if the bank desires to waive its right to appear before the Board, it may appear before the Federal Reserve Agent on a date to be fixed by him to present such evidence as it may care to have transmitted to the Federal Reserve Board for its consideration.

Upon motion, the proposed letters were approved.

Report of Committee on District #6, recommending the appointment of Mr. William P. Ridley of Mt. Pleasant, Tennessee, as a director of the Nashville Branch of the Federal Reserve Bank of Atlanta for the unexpired term ending December 31, 1927, to succeed Mr. Jos. A. Chapman, resigned.

Upon motion, Mr. Ridley was appointed a director of the Nashville Branch for the term ending December 31, 1927.

Letter dated March 31st from the President of the Federal Advisory Council advising that the next meeting of the Council will be held on Monday, May 11th and requesting to be advised of topics which the Board would like to have discussed at the meeting.

Referred to the Executive Committee.

Telegram dated March 31st from the Secretary of the Lincoln Clearing House Association, advising that the Association recommends the appointment of Mr. J. E. Miller, now a director of the Omaha Branch, as

4/3/25

-4-

Class C Director of the Federal Reserve Bank of Kansas City to succeed Mr. Heber Hord, resigned.

The Secretary stated that the Board had not received official advice of Mr. Hord's resignation and the above telegram was referred to Committee on District #10 for recommendation at the proper time.

Letter dated March 26th from the Federal Reserve Agent at Chicago with regard to examinations of State member banks in Michigan.

Referred to Committee on Examinations.

Letter dated March 26th from the Federal Reserve Agent at San Francisco transmitting copy of the by-laws of the Security Trust and Savings Bank of Los Angeles, recently amended to remove all distinctions previously existing among the various classes of savings deposits of the bank, so far as the right to demand notice of withdrawal and the presentation of pass book is concerned.

Referred to the Law Committee.

The Executive Committee then submitted drafts of letters to the Federal Reserve Agents at San Francisco, Minneapolis and St. Louis, calling attention to delinquency of certain directors in attendance at board meetings and advising that the Board will depend upon the cooperation of the local boards of directors in the matter of remedying this situation and that any recommendations the directors may make will be appreciated by the Board and have its careful consideration should any further action become necessary.

Upon motion, the proposed letters were approved.

4/3/25

-5-

The Executive Committee then submitted draft of a letter to the Chairman of the Federal Reserve Bank of Atlanta transmitting copy of communication from Mr. A. B. Trowbridge, advising that he has been consulted by the local architects with regard to certain features of the proposed Birmingham building other than those relating to vault construction and installation, the proposed letter stating that (1) that Mr. Trowbridge was employed by the Board as consulting architect, in which capacity he would pass upon plans and specifications when submitted by the Federal Reserve Bank of Atlanta to the Board for approval and would also stand ready to cooperate with the local architects and builders in the matter of vault construction and installation; (2) that consultation with the local architects in the matter of preparing preliminary sketches and plans is not contemplated in the Board's contract with Mr. Trowbridge and is not covered by the fee of \$1250 which the Board will pay him; and, (3) that in the opinion of the Board if Mr. Trowbridge is called upon to advise and assist the local architects and builders in matters other than those relating directly to vault construction and installation, his compensation for such services should not come from the Board but should be paid either directly by the architects consulting him or by the Federal Reserve Bank of Atlanta as part of the fee it is paying for necessary architectural services.

Upon motion, the proposed letter was approved.

Report of Law Committee on the matter referred back to it at the meeting on March 31st, namely, revised draft of a circular letter expressing the opinion of the Board "that persons holding, or persons

4/3/25

-6-

becoming candidates for political or public office in the service of the United States or of any state, territory, county, district, political sub-division or municipality thereof, or acting as members of political party committees, cannot consistently with the spirit and underlying principles of the Federal Reserve Act serve, or continue to serve, as directors and officers or employees of Federal reserve banks or Federal reserve branch banks"; the Committee recommending that the application of the circular be restricted to offices of national or state scope, by omitting the words "territory, county, district, political sub-division or municipality thereof".

Thereupon ensued a discussion as to the desirability of issuing the revised circular with the amendments suggested during which there was read to the Board the previous circular on the subject approved by the Board on December 27, 1915 and again brought to the attention of the Federal reserve banks on December 6, 1919.

Following the discussion, Mr. Hamlin moved that the revised circular, submitted by the Law Committee, be laid on the table.

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

Mr. Miller then moved that the Board reaffirm the provisions of its circular of December 27, 1915, and that a copy thereof be sent to the Chairmen of all Federal reserve banks with directions to call it to the attention of the members of their boards of directors, both at head offices and branches, and to inform the Board as occasion may arise of anything which in their opinion violates the tenor or spirit of the circular.

Mr. Miller's motion being put by the chair was carried.

4/3/25

-7-

At this point Mr. J. J. O'Conner of the Chamber of Commerce of the United States entered the meeting. Mr. O'Conner stated that the annual meeting of the Chamber would be held in Washington during the period May 18th to May 23rd and that it would be highly desirable if a spring conference of Agents could be held during that period, in order that the Agents might have an opportunity of attending the meeting of the Chamber, which would also be attended by some 3,000 delegates including several hundred of the leading business men of the country. Mr. O'Conner said that the Chamber planned to devote some time during the meeting to a discussion of the Federal Reserve System and its relation and benefits to the business of the country. He stated that the Chamber expected to be addressed by the President of the United States who would be requested to make some reference to the interest of business men in the System and that it was desired to have a presentation of the System made by the Governor of the Board, another by one of the Federal Reserve Agents and to have an address on the relation of the System to business by some prominent business man, as well as one on the relation of the System to banking by some well known banker. He said that the purpose of this discussion was to interest the members of the Chamber in the welfare of the System, looking forward to the time when the question of the extension of the charters of the Federal reserve banks will arise.

After Mr. O'Conner had left the meeting, the matter presented by him was referred to the Executive Committee for report.

REPORTS OF STANDING COMMITTEES:

Dated April 1st Recommending changes in stock at Federal reserve banks, as set forth in the Auxiliary Minute Book of this date.

Approved.

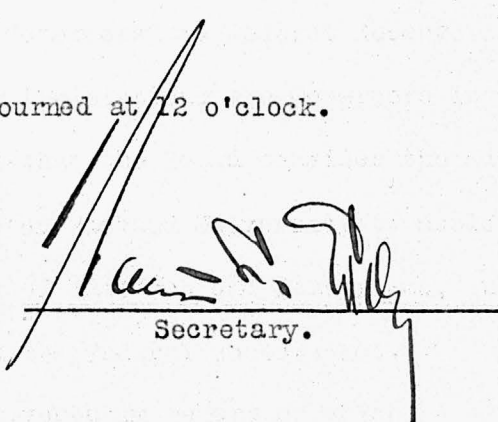
Dated April 2nd Recommending action on applications for admission of
2nd state banks, subject to the conditions stated in the individual reports attached to the applications, as set forth in the Auxiliary Minute Book of this date.

Approved.

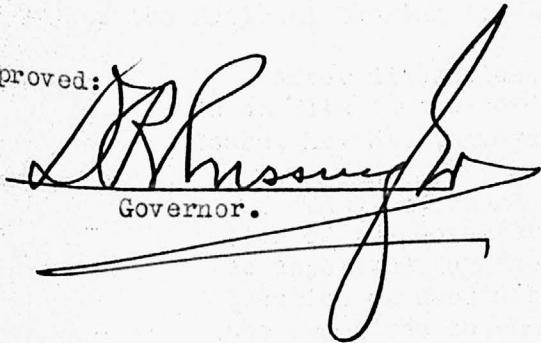
Dated April 1st Recommending approval of the application of Mr. T. Chalkley Palmer to serve at the same time as director of the First National Bank of Media, Pa. and as director of the Delaware County National Bank of Chester, Pa.

Approved.

The meeting adjourned at 12 o'clock.


Secretary.

Approved:


Governor.