

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, April 21, 1925 at 11:30 a.m.

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

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

Letter dated April 16th from the Secretary of the Board of Directors of the Federal Reserve Bank of Atlanta, advising of the action taken by the directors of the Jacksonville Branch on April 7th and ratified by the directors of the Atlanta Bank on April 10th, in amending Section 3 of Article II of the By-laws of the Jacksonville Branch to provide that the regular meetings of the Branch Bank Board be held on the Mondays instead of the Tuesdays next preceding the second Friday of each month.

Approved.

Letter dated April 16th from the Secretary of the Board of Directors of the Federal Reserve Bank of Atlanta, advising of the action taken by the directors of the New Orleans Branch on April 8th and ratified by the directors of the Atlanta Bank on April 10th in amending the By-laws of the Branch as follows:

"ARTICLE III. Section 6

Cashier.--The Cashier shall have such joint custody of all moneys, investments and collateral as may be delegated to him by the Managing Director, subject to such rules as the Board may adopt as to their safety. He shall keep the Minutes of the

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"Meeting of the New Orleans Board of Directors, subject to the approval of the said Board of Directors; a copy of all Minutes to be promptly sent to the Chairman of the Board of the Federal Reserve Bank of Atlanta."

"ARTICLE V. Section 1

Asst. Federal Reserve Agent and Assistant Auditor,-- The Assistant Federal Reserve Agent shall act as Assistant Auditor of the Branch; and shall be subject only to the rules and regulations issued by the General Auditor of the Federal Reserve Bank of Atlanta and the Chairman of the Board of the Federal Reserve Bank of Atlanta."

Approved.

Letter dated April 14th from the Federal Reserve Agent and Chairman of the Board of Directors of the Federal Reserve Bank of San Francisco, requesting the Board's approval of his taking a vacation of approximately two months' duration at such time as seems most convenient for him to be absent from the bank.

Upon motion of Mr. Hamlin, the Board voted to interpose no objection.

Letter dated April 18th from Mr. John G. Lonsdale, Director of the Federal Reserve Bank of St. Louis and a member of the Salary Committee of the Federal Reserve Bank of St. Louis, with reference to action previously taken by the Board on the recommendations of the directors of the bank concerning the salaries of the Governor of the Bank and certain other officers for the year 1925.

Following the reading of Mr. Lonsdale's letter, Mr. Hamlin moved that the Board reconsider and approve a salary of \$25,000 for the Governor of the Federal Reserve Bank of St. Louis.

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Mr. James stated his view that if the Board reverses its previous action with respect to salaries of the officials of the St. Louis bank it would of necessity have to reverse action taken by it with regard to the salaries of the officers of certain of the other Federal Reserve banks.

Governor Crissinger stated he felt that if the question of reconsidering the action on the salary of any bank official was necessary, the matter should go over until the mid-year when reconsideration should be given in all cases where it might seem desirable.

Mr. Miller called for a vote on the motion before the Board.

The motion being put by the Chair, the members voted as follows:

Governor Crissinger, "aye"
Mr. Platt, "aye"
Mr. Hamlin, "aye"
Mr. Miller, "no"
Mr. James, "no"
Mr. Cunningham, "no"
Mr. McIntosh, "no"

Mr. James then moved that the Chairman of the Board of Directors of the Federal Reserve Bank of St. Louis be advised of the Board's action in voting not to reconsider previous action taken by it with regard to the salary of the Governor of the Bank.

Carried, by unanimous vote.

Letter dated April 18th from Mr. Breckinridge Jones, member of the Federal Advisory Council, representing the 8th Federal Reserve District, suggesting that the Board consider the question whether it would be desirable for the Board to publish its Bulletin in some of the more important foreign languages.

Noted.

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Letter dated April 14th from the Secretary of the Federal Advisory Council, calling attention to the fact that the Board has not submitted to the Chairman of the Council the topics it desires the Council to discuss at its meeting to be held on Monday, May 11, 1925. Mr. James called attention to the fact that three members of the Board would be absent from Washington during the periods immediately preceding and following the date set for the Council meeting and suggested the desirability of the Board requesting the Council to hold its meeting at a later date.

The Governor stated he would communicate with Mr. Warburg and see whether postponement of the meeting is feasible.

Letter dated April 14th from the Assistant Federal Reserve Agent at San Francisco, advising that the Pacific Southwest Trust and Savings Bank on April 11, 1925, opened for business its branch at 1913 West Sixth Street, Los Angeles, the establishment and location of which were approved by the Board at its meetings on April 25, 1924 and March 26, 1925.

Noted.

Telegram dated April 18th from the Chairman of the Board of Directors of the Federal Reserve Bank of San Francisco, stating that a member bank has borrowed from the Federal Reserve bank several million dollars for the purpose of dealing in government securities and asking for an expression of the Board's views as to the propriety of such borrowing. Mr. Miller suggested that the question of principle in the above inquiry be made a topic for discussion at the forthcoming meeting of the Federal Advisory Council.

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Upon motion by Mr. Hamlin, the telegram was referred to the Law Committee and the Secretary was directed to telegraph the Chairman and request him to wire the Board more details concerning the character of the member bank's borrowing.

Carried.

The Governor outlined the present procedure under which requisitions are made upon the Comptroller of the Currency for Federal Reserve Notes for the accounts of the various Federal Reserve Agents and called attention to the fact that the burden upon his office of having to approve numerous requisitions daily could be obviated by a change in procedure whereby the Governor or the acting executive officer of the Board could daily approve a schedule of the amounts and denominations of Federal Reserve Notes shipped to each Federal Reserve Agent rather than approving each individual requisition. He called attention to the fact, however, that the procedure could not be changed without amendment to the By-laws of the Board and that the By-laws provide that any amendment thereto must be made by a majority vote of the entire Board and that a copy of any proposed amendment must first have been delivered to each member of the Board at least seven days prior to the meeting at which action to amend is taken. He then called attention to his proposal to amend Article X of the Board's By-laws to read as follows:

"Requisitions upon the Comptroller of the Currency for the delivery of Federal Reserve notes to the respective Federal Reserve Agents shall be made by the Secretary or Assistant Secretary or Assistant to the Governor in response only to requests made by the Federal Reserve Agents to the Board for such notes. The Secretary or Assistant Secretary or Assistant to the Governor shall submit daily to the Governor or acting executive officer of the Board a schedule showing the amount of each denomination of Federal Reserve notes requisitioned by him for the account of each Federal Reserve Agent."

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Mr. James thereupon moved that the Board by unanimous consent waive in this particular instance the requirement that the proposed amendment to the By-laws be submitted to the members of the Board seven days prior to vote being taken thereon.

Carried, all the members voting in the affirmative.

Mr. James then moved that Article X of the Board's By-laws be amended so as to read as suggested by Governor Crissinger, all members voting in the affirmative.

Telegrams dated April 18th, approved upon initials of four members of the Board, recommending approval of applications of the New England National Bank and Trust Company of Kansas City, Mo., for original stock (900 shares) of the Federal Reserve Bank of Kansas City and for permission to exercise fiduciary powers if and when authorized by the Comptroller of the Currency to commence business.

Upon motion, the telegrams were formally approved.

Report dated April 17th from the Board's Committee on Salaries, Expenditures and Efficiency, concerning the proposal of the Federal Reserve Bank of Dallas to contribute \$1500 to the Dallas Chapter of the American Institute of Banking; the Committee stating that in its opinion the contribution is justifiable.

Approved.

Memorandum dated April 13th prepared by General Counsel, approved by the Law Committee, submitting draft of a letter for the signature of the Comptroller of the Currency in reply to a letter received by the Comptroller of the Currency from the Treasurer of Armour and Company,

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with reference to a circular issued by the First National Bank of El Paso, Texas, governing the method of handling checks; the bank's circular stating that the terms thereof have as their basis Regulation "J" of the Federal Reserve Board.

Upon motion, the letter prepared by Counsel and submitted with his memorandum was approved and the Secretary was ordered to transmit same to the Comptroller of the Currency.

Memorandum dated April 16th from General Counsel, submitting form of reply to a letter dated April 1st from the Vice President and trust officer of the Florida National Bank, Jacksonville, Florida, asking for an interpretation of the phraseology "joint custody of two or more officers or other employees designated by the Board of Directors of the Bank" which is used in the Board's Regulation "F" and asking whether or not under such joint custody it is necessary for two officers or employees of the bank properly designated to be present when safes containing trust securities are opened or whether one such authorized officer or employee with an unauthorized employee must be present at such opening; the proposed reply stating that the Board's Regulation requires that trust securities be held in the joint custody of two bonded officers or employees of the bank designated for the purpose by the Board of Directors but that it is not necessary that both of such persons shall be officers or employees of the trust department.

Mr. Hamlin moved that the proposed reply be amended so as to include an answer in the affirmative to the bank's question as to whether the two designated officers or employees must be present when trust securities are withdrawn from the bank's vaults.

Carried.

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Letter dated April 17th from the Treasurer of the French American Banking Corporation referring to his letter of April 3rd to the Board and requesting a ruling as to whether or not his institution may be permitted to accept drafts drawn upon it by correspondents in Strasbourg, Alsace-Lorraine, the proceeds of which are to be used to enable the correspondents to buy from French shippers documentary dollar drafts drawn to finance shipments of merchandise from France to Germany, and whether such drafts are eligible for rediscount or purchase by Federal Reserve banks.

Referred to the Law Committee.

REPORTS OF STANDING COMMITTEES:

- Dated, April 17th, 21st, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.
Approved.
- Dated, April 21st, Recommending action on applications for fiduciary powers, as set forth in the Auxiliary Minute Book of this date.
Approved.
- Dated, April 21st, Recommending action on application for admission of state bank, subject to the conditions stated in the individual report attached to the application, as set forth in the Auxiliary Minute Book of this date.
Approved.
- Dated, April 21st, Recommending action on application for admission of state bank, subject to the conditions stated in the individual report attached to the application, as set forth in the Auxiliary Minute Book of this date.
Disapproved.
- Dated, April 16th, Recommending approval of the application of Mr. Isaac Orr to serve at the same time as director of the First National Bank, St. Louis, Mo., and as director of the St. Louis Union Trust Co., St. Louis, Mo.
Approved.
- Dated, April 21st, Recommending approval of the application of Mr. John R. Holmes to serve at the same time as director of the Frontier National Bank, Eastport, Me., and as director of the Merrill Trust Co., Bangor, Me.
Approved.

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, April 21st, Recommending approval of the application of Mr. Percy H. Johnston to serve at the same time as President and Director of the Chemical National Bank of New York City and as President and Director of the Peoples National Bank of Montclair, N.J.

Approved.

Dated, April 21st, Recommending approval of the application of Mr. Richard T. Greene to serve at the same time as director of the Lawyers Trust Co. of New York City and as director of the Peoples National Bank of Montclair, N.J.

Approved.

Dated, April 21st, Recommending approval of the application of Mr. Ellis P. Earle to serve at the same time as director of the Chatham Phenix National Bank & Trust Co., New York City and as director of the Peoples National Bank of Montclair, N.J.

Approved.

Dated, April 21st, Recommending approval of the application of Mr. Geo. R. Beach to serve at the same time as director of the New Jersey Title Guarantee & Trust Co., Jersey City, N.J., and as director of the Peoples National Bank of Montclair, N.J.

Approved.

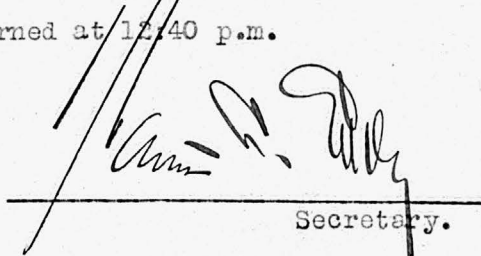
Dated, April 21st, Recommending approval of the application of Mr. Wm. H. Danforth to serve at the same time as director of the First National Bank and as director of the St. Louis Union Trust Co., both of St. Louis, Mo.

Approved.

The meeting adjourned at 12:40 p.m.

Approved:


Governor.


Secretary.