

A meeting of the Executive Committee was held in the office of the Governor on Tuesday, May 5, 1925 at 10:30 a.m.

PRESENT: Governor Crissinger  
 Mr. Miller  
 Mr. McIntosh (Serving as a member of the  
 Committee in the absence of Mr. Hamlin)  
 Mr. Eddy, Secretary

Telegram dated May 4th from the Governor of the Federal Reserve Bank of Boston, asking for an expression of the Board's views of the advisability of the Federal Reserve Bank of Boston buying from a member bank \$3,000,000 of City of Boston notes issued in anticipation of taxes.

After discussion, it was moved that the Governor reply to the telegram stating that the Board would interpose no objection to such purchase provided it is consistent with the Open Market Investment Policy of the System and that the Board understands that this matter was discussed at a recent meeting of the Open Market Investment Committee held in New York at which Governor Harding was present.

Memorandum dated May 5th from the Board's Assistant Counsel, submitting draft of a letter to the Federal Reserve Agent at New York recommending that Mr. Ogden Mills be permitted to continue to serve at the same time upon the directorates of the Farmers Loan and Trust Company and the United States Trust Company, both of New York City, until the expiration of the year for which he was elected, and upon the directorate of the Chatham Phenix Bank and Trust Company of New York City until the expiration of the year for which he was elected by the stockholders of the Metropolitan Trust Company which latter company converted during the year into the Metropolitan National Bank and Trust Company and consolidated with the Chatham and Phenix National Bank to form the Chatham-Phenix Bank and Trust Company.

Approved.

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Letter dated April 27th from the Federal Reserve Agent at San Francisco, transmitting copy of a letter from the Bank of Italy requesting permission of the Federal Reserve Board to transfer the business of its West Geary Branch from 5716 Geary Street, to the Northwest corner of Nineteenth Avenue and Geary Street, San Francisco.

Approved.

Letter dated May 1st from the Federal Reserve Agent at New York, transmitting application of the Central Mercantile Bank of New York City to open a branch at Nos. 2, 4 and 6 East Broadway, New York City; the Federal Reserve Agent stating the application has been considered and approved by the Board of Directors of the Federal Reserve Bank of New York and that in their opinion the financial condition of the applicant and the general character of its management are such as to justify approval of the application; that there is sufficient business in the locality to support the existing institutions and the branch applied for, and that it would be in the interest of the public in the locality to have the branch established.

Upon motion, the application was approved.

Letter dated April 30th from the Chairman of the Board of Directors of the Federal Reserve Bank of Dallas, transmitting copy of a letter from Mr. R. M. Farrar, Director of the Branch Federal Reserve Bank at Houston, with respect to Mr. Farrar's serving as a member of the Harris County Navigation District Commission, and asking to be advised whether or not such service is in violation of the spirit of the Board's circular No. 21

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Series of 1915, concerning "Eligibility of Candidates for Directorships".

Upon motion, the Governor was requested to ask the Chairman of the Dallas Bank to personally acquaint himself with the character of the service required of the member of the Harris County Navigation District Commission, and to give the Board his views and recommendation.

Letter dated April 30th from the Chairman of the Board of Directors of the Federal Reserve Bank of St. Louis, quoting a letter from Mr. C. S. McCain, a director of the Little Rock Branch in which the question is raised as to whether or not Mr. McCain's service as a commissioner of the Pulaski Road Improvement District No. 10 constitutes violation of the spirit of the Board's circular No. 21, Series of 1915, concerning "Eligibility of Candidates for Directorships".

After discussion, it was the opinion of the Committee that the Board should not object to Mr. McCain's continuing to serve as a commissioner of the Pulaski Road Improvement District No. 10.

Letter dated April 29th from the Comptroller of the Currency, advising of the resignation of Mr. J. T. Pelton, Schedule Clerk in the Federal Reserve Issue and Redemption Division, effective April 30th.

Noted.

Letter dated April 29th from the Comptroller of the Currency, recommending approval of the appointment of Mr. Harold S. Whitney, National Bank Examiner, to be assigned to the Second Federal Reserve District at a salary of \$3,000 per annum.

Approved.

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Letter dated April 29th, from the Comptroller of the Currency, recommending approval of the appointment of Mr. Robert F. Smith, National Bank Examiner, to be assigned to the Second Federal Reserve District at a salary of \$3,000 per annum.

Approved.

Memorandum dated May 4th from the Division of Examination, submitting letter dated May 1st from the Federal Reserve Agent at Minneapolis with reference to an application of the Farmers and Merchants State Bank of Hutchinson, Minnesota, for permission to broaden its functions to include the exercise of trust powers, approval of which was withheld by the Board on October 2, 1924 pending another examination; the Federal Reserve Agent forwarding report of an examination made April 14, 1925 which shows a very unsatisfactory condition and in which the examiner states that the bank is practically insolvent, and recommending that approval be withheld until the bank is in an entirely satisfactory condition.

Upon motion, it was voted to disapprove the above application.

Memorandum dated April 30th from the Division of Examination referring to the application of the Security Bank and Trust Company of Lubbock, Texas, for one additional share of stock in the Federal Reserve Bank of Dallas, which was approved on March 10th, and recommending that the Board's approval be cancelled in view of the fact that the stock has not been issued or paid for and the bank has now converted into a national bank reducing its surplus at the time of conversion so that the additional share was not required.



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Upon motion, the action of the Board on March 10th in approving the application of the above named bank for one additional share of stock was cancelled.

Application of the Farmers Guaranty State Bank of Brady, Texas for membership in the Federal Reserve System was considered, together with memorandum of April 29th from the Board's General Counsel, calling attention to the fact that the capital stock of the applicant bank amounts to \$50,000 and the uncertified surplus is \$5,000; that the bank in computing the amount of Federal Reserve bank stock, to which entitled if a member, has not included the uncertified surplus, and recommending, therefore, that the applicant be required to file a new application for stock in a sum equal to 6% of its paid-up capital and surplus; Counsel submitting also a form of letter so advising the Federal Reserve Agent of Dallas.

Upon motion, Counsel's recommendation and the form letter were approved.

Memo randum dated April 28th, from Counsel on the subject of the forfeiture of membership by the Bank of Safford, Safford, Arizona; Counsel submitting drafts of letters to the bank and to the Federal Reserve Agent at Dallas stating that in that the bank failed during the first fifteen days of March to maintain with the Federal Reserve Bank of Dallas the reserve required by Section 19 of the Federal Reserve Act, a hearing will be held in the office of the Board on June 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 Dallas and to forfeit all rights and privileges of membership in the Federal Reserve System, and further that if the Bank

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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.

REPORTS OF STANDING COMMITTEES:

Dated, April 30th, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.  
May 1st, 2nd, 4th, Approved.

Dated, May 5th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.  
Approved.

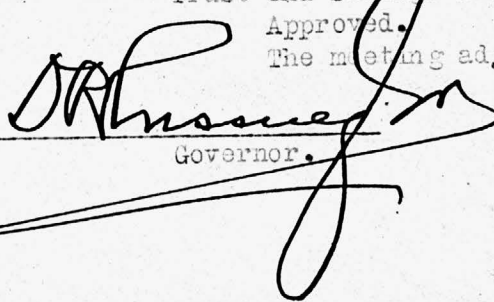
Dated, April 30th, Recommending approval of the application of Mr. R. V. Colbert to serve at the same time as Vice President of the First National Bank, Rotan, Texas and as President and director of the First National Bank, Stamford, Texas and as director of the Fort Worth National Bank of Fort Worth, Texas.  
Approved.

Dated, May 2nd, Recommending approval of the application of Mr. Charles L. Briggs to serve at the same time as director of the Merrimack National Bank, Haverhill, Mass., and as director and Chairman of the Board of Directors of the Miami Bank and Trust Company, Miami, Fla.  
Approved.

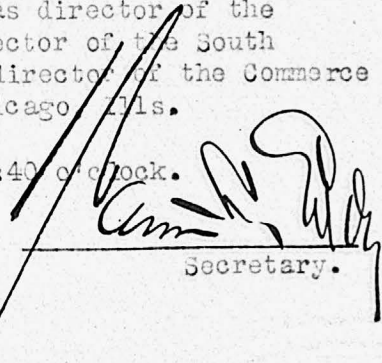
Dated, April 29th, Recommending approval of the application of Mr. W. J. Murray to serve at the same time as officer and director of the Des Moines National Bank, Des Moines, Iowa, and as officer and director of the First National Bank, Eldorado, Iowa.  
Approved.

Dated, May 4th, Recommending approval of the application of Mr. E. L. Wagner to serve at the same time as director of the National Bank of Commerce, as director of the South Side Chicago Savings Bank and as director of the Commerce Trust and Savings Bank, all of Chicago, Ills.  
Approved.

The meeting adjourned at 11:40 o'clock.

Approved: 

Governor.

  
Secretary.