

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, June 11, 1925, at 10:40 a.m.

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

The minutes of the meetings of the Federal Reserve Board held on June 3rd and 9th were read and approved.

Letter dated June 4th from the Deputy Chairman of the Federal Reserve Bank of San Francisco, advising of the transfer of Mr. W. L. Partner from the position of Managing Director of the Spokane Branch to that of Managing Director of the Salt Lake City Branch, effective July 1, 1925.

Noted.

Letter dated June 10th from the Chairman of the Federal Reserve Bank of Philadelphia, advising of the appointment of Mr. William H. Hutt, Deputy Governor of the Bank, to serve as Acting Governor during the absence of Governor Norris.

Noted.

Letter dated June 9th from the Chairman of the Federal Reserve Bank of New York, requesting approval of the action of the Board of Directors of that bank in voting to grant a seven weeks' leave of absence with pay to Mr. Carl Snyder, Statistician.

After discussion, Mr. Cunningham moved that the Board interpose no objection to the action of the directors of the Federal Reserve Bank of New York.

Carried.

6/11/25

-2-

Letter dated June 4th from the Federal Reserve Agent at San Francisco, advising that the American Bank of San Francisco on May 29th opened the branch at 724 Grand Avenue, Oakland, which was approved by the Board on February 3rd for establishment at Grand and Santa Clara Avenues.

Noted.

Letter dated June 8th from the Federal Reserve Agent at Boston, advising of an act passed by the General Assembly of the State of Connecticut that the provisions of the General Statutes of the State relating to reserves and cash balances of state banks and trust companies shall not apply to any bank or trust company which is a stockholder in any Federal Reserve bank.

Noted.

Letter dated June 1st from the President of the First National Bank of Fort Smith, Arkansas, transmitting and commenting on a letter addressed to that institution by the Farmers State Bank of Garvin, Okla., a member bank, complaining of the action of the Federal Reserve Bank of Dallas in collecting checks drawn on that institution over the counter by means of a representative in Garvin.

After discussion, it was voted that the Federal Reserve Bank of Dallas be requested to furnish the Board with a statement of the facts in the case.

Letter dated June 4th from the Federal Reserve Agent at Minneapolis, advising that the directors of the First State Bank of Philipsburg, Montana

6/11/25

-3-

on May 26th voted to rescind a resolution, filed with the Federal Reserve Agent on March 17, 1925, giving six months' notice of the bank's intention to withdraw from membership in the Federal Reserve System; the Federal Reserve Agent expressing the opinion that an investigation will conclusively prove that the bank is not in any condition to qualify as a member of the System and requesting the Board's instructions.

Referred to the Law Committee.

Memorandum dated June 10th from Counsel, advising of a verdict in the par clearance case of the Brookings State Bank of Brookings, Oregon, against the Federal Reserve Bank of San Francisco, awarding to plaintiff \$1.00 actual damages and \$17,500 punitive damages; the memorandum also stating that Counsel for the Federal Reserve Bank of San Francisco believes they have ample ground for appeal and has expressed a desire for the assistance of Honorable Newton D. Baker, the Board's special Counsel, in the preparation of the record to the Circuit Court and the handling of the case there.

After discussion, Mr. Miller moved that a telegram be sent to the Governor of the Federal Reserve Bank of San Francisco, stating that the Board has been advised of the outcome of the case and would like to be informed of what further steps, if any, are to be taken by the Federal Reserve Bank of San Francisco in the matter and that the question of Mr. Baker's participating in an appeal be resubmitted to the Board upon receipt of further definite information from the Federal Reserve Bank.

Carried.

At this point, Mr. McIntosh entered the meeting.

Memorandum dated May 19th from the Committee on Salaries, Expenditures and Efficiency, submitting draft of a letter to the Chairmen

6/11/25

-4-

of all Federal Reserve banks advising that while the earnings of some of the Federal Reserve banks will not be sufficient at the end of June to cover operating expenses, depreciation in the assets of the bank, probable losses and dividend requirements, the Board, without deciding as a matter of principle that unearned dividends should regularly be paid out of surplus, will interpose no objection to the payment of the usual dividend on June 30th, and further, that the Board would like to have an expression of views as to the advisability of notifying member banks at the time of payment of the June dividend that hereafter dividends will be paid by the Federal Reserve banks only once a year, on December 31st.

After discussion, it was voted that the question of Federal Reserve banks paying annual instead of semi-annual dividends should be made a topic for consideration at the fall conference of Federal Reserve Agents.

After further discussion, Mr. Platt moved approval of the recommendation that while the earnings of some of the Federal Reserve banks will not be sufficient at the end of June to cover operating expenses, depreciation in the assets of the bank, probable losses, and dividend requirements, the Board, without deciding as a matter of principle that unearned dividends should regularly be paid out of surplus, interpose no objection to the payment of the usual dividend on June 30th.

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

Memorandum dated June 5th from the Chief of the Division of Bank Operations, submitting statements of expenditures by Federal Reserve

6/11/25

-5-

banks for educational and welfare work, membership dues, donations, etc., for the month of April and for the four months' period ending April 30, 1925; the memorandum calling particular attention to a contribution of \$500 made by the Federal Reserve Bank of Kansas City to the "Law Enforcement Association Reward Fund".

After discussion, Mr. Cunningham moved that the Board disapprove the contribution made by the Federal Reserve Bank of Kansas City.

Mr. Cunningham's motion being put by the Chair was carried, Messrs. Crissinger and Platt voting "no". Both the Governor and Mr. Platt stated that they voted against the motion because they did not think action should be taken without further information regarding the donation.

Drafts of letters to all Federal Reserve Agents, prepared under the direction of the Committee on Salaries, Expenditures and Efficiency, on the subject of salaries and expenditures for statistical and analytical work during the six months ending December 31, 1925; the letters requesting the Federal Reserve Agents (1) to forward to the Board a list of the officers and employees whose time is charged in whole or in part to the statistical and analytical function and the salaries recommended for each; (2) to submit a budget for the statistical and analytical function for the six months ending December 31, 1925; and (3) to advise the Board of any changes contemplated in the statistical and analytical work and organization of the banks.

Upon motion, the proposed letters were approved.

6/11/25

-6-

Report of Committee on Salaries, Expenditures and Efficiency on the verbal request made by Governor Young of the Federal Reserve Bank of Minneapolis at the meeting on June 9th, that the Board reconsider its previous action in disapproving increases of \$1,000 which were recommended for Deputy Governors Geery and Moore, and Assistant Deputy Governor Yaeger; the Committee stating that since it has made a practice of bringing the question of salaries of officers at the Federal Reserve banks to the Board without recommendation, it suggests that this matter be taken up by the Board as a whole without recommendation from the Committee.

After discussion, Mr. Miller moved that a letter to Governor Young be prepared for submission to the Board, advising that the Board has considered informally the verbal request made by him on June 9th, that it reconsider its action in disapproving increases recommended for Deputy Governors Geery and Moore and Assistant Deputy Governor Yaeger and has decided that these increases will be given consideration at the end of the current year when the Board in regular course takes up the matter of salary changes, this being in accordance with the action of the Board in similar cases that have come up during the course of the year.

Mr. Miller's motion being put by the chair was carried, Governor Crissinger voting "no".

Mr. Platt stated that he voted for the motion, although he believed that at least two of the salaries should be increased.

6/11/25

-7-

Draft of letter to the Chairman of the Federal Reserve Bank of Atlanta, with regard to fee to be paid Mr. A. B. Trowbridge for his services as Consulting Architect in connection with the proposed Birmingham building; the letter stating that the Board has ruled that Mr. Trowbridge's fee for the project shall be \$2500, of which amount \$1250 will be paid by the Board and a similar sum by the Federal Reserve Bank of Atlanta.

After discussion, Mr. Platt moved approval of the above letter.

Mr. Platt's motion being put by the chair was carried, Mr. Miller not voting.

REPORTS OF STANDING COMMITTEES:

- Dated, June 10th, 11th, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date.
Approved.
- Dated, June 10th, Recommending approval of the application of Mr. Palmer Campbell to serve at the same time as director and Vice President of the First National Bank, Hoboken, N. J. and as director and Vice President of the Hoboken Trust Company, Hoboken, N.J.
Approved.
- Dated, June 10th, Recommending approval of the application of Mr. Edward F. Harris to serve at the same time as director and officer of the First National Bank of Manteca, Cal., and as director and officer of the Commercial and Savings Bank of Stockton, Cal.
Approved.
- Dated, June 10th, Recommending approval of the application of Mr. Charles Hanford to serve at the same time as director of the Highland National Bank and of the Broadway National Bank, both of Newburgh, N.Y.
Approved.

6/11/25

-8-

REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, June 10th, Recommending approval of the application of Mr. Francis N. Bain to serve at the same time as director of the Highland National Bank and as director of the Broadway National Bank, both of Newburgh, N.Y.

Approved.

Dated, June 10th, Recommending approval of the application of Mr. William T. Snider to serve at the same time as director of the Highland National Bank and as director of the Broadway National Bank, both of Newburgh, N.Y.

Approved.

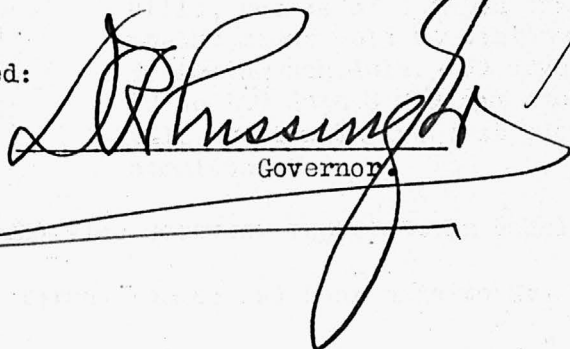
Dated, June 10th, Recommending approval of the application of Mr. Joseph H. Turl to serve at the same time as director of the Highland National Bank and as director of the Broadway National Bank, both of Newburgh, N.Y.

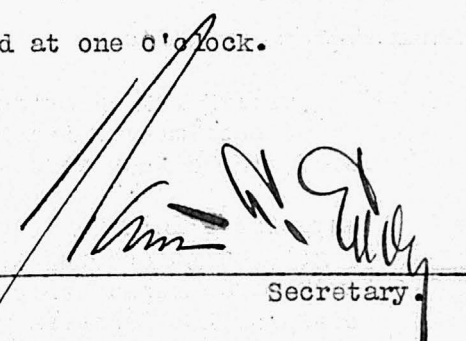
Approved.

Dated, June 10th, Recommending approval of the application of Mr. Dewitt McKinstry to serve at the same time as director of the Highland National Bank, and as director of the Broadway National Bank, both of Newburgh, N.Y.

The meeting adjourned at one o'clock.

Approved:


Governor.


Secretary.