A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, August 6, 1925, at 10:45 a.m.

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

The reading of the minutes of the meeting held on August 5th was dispensed with.

Memorandum from Counsel dated August 5th with reference to the action of the Board taken on May 8, 1925, in approving the application of Mr. William Skinner for permission to serve at the same time as director of the Irving Bank-Columbia Trust Company and the Pacific National Bank in New York City, if and when the Pacific Bank of New York City should be converted into a national bank, on condition that the conversion of the Pacific Bank and its proposed consolidation with the American Exchange National Bank should take place within sixty days after May 8th, which period was informally extended until August 1st by Messrs. Crissinger and McIntosh; Counsel recommending that the Board formally ratify the extension of time for the consummation of the conversion and the consolidation proceedings and submitting draft of a letter to Mr. Skinner transmitting formal certificate permitting him to serve as a director of the Irving Bank-Columbia Trust Company and the Pacific National Bank in New York City, dated June 2nd, the date on which the conversion took place.

Upon motion, the extension was formally approved and the certificate ordered transmitted to Mr. Skinner.
Letter dated July 31st from the Chairman of the Federal Reserve Bank of Kansas City, advising of the election of Mr. C. C. Parks, Vice President of the First National Bank of Denver, as Class A Director of the Federal Reserve Bank for the unexpired term of Mr. J. C. Mitchell, deceased, and stating that Mr. Parks will submit his resignation as a director of the Denver branch, which position he now holds.

Upon motion, it was voted to advise the Chairman of the Federal Reserve Bank of Kansas City that in the opinion of the Board, there is no necessity for the resignation of Mr. Parks from the Denver directorate because of his election to the Board of the head office.

Memorandum from Counsel, dated July 31st, submitting draft of a reply to letter dated July 8th from the Deputy Comptroller of the Currency, inquiring whether certain promissory notes issued by the Howard National Bank of Burlington, Vermont, should be treated as certificates of deposit requiring reserves, the notes being issued to avoid State tax upon deposits, but the transactions giving rise thereto, being in no respect different from those in which certificates of deposit are customarily issued; the proposed reply stating that in the Board's opinion, the promissory notes are an evidence of a deposit liability against which proper reserves should be carried and that the bank's liability should be shown as "certificates of deposit".

Upon motion, the proposed reply was approved.

Memorandum from Counsel, dated August 3rd, with regard to letter dated June 26th from the Governor of the Federal Reserve Bank of Atlanta,
with regard to the action of that bank in charging the reserve account of the Unaka and City National Bank of Johnson City, Tennessee, with paper held under rediscount by the Federal reserve bank prior to its maturity; Counsel submitting an opinion as to the right of a Federal reserve bank to charge the reserve account of a member bank with paper held under rediscount prior to its maturity.

Noted and ordered circulated.

The Governor then presented a letter addressed to the Secretary of the Treasury under date of August 5, 1925, by the Attorney-General of the United States, submitting a favorable opinion on the legality of the proposal of the Federal Reserve Bank of Cleveland, as outlined in a letter addressed to the Board by the Governor of the bank under date of July 11th, whereby the Federal Reserve Bank proposes to lease to the Chamber of Commerce of Cincinnati, a lot now owned by the Bank in Cincinnati, for a term of 99 years, renewable forever, with an option to the Chamber to purchase same, and in turn to lease for the use of its Cincinnati Branch quarters in a building to be erected on said lot by the Chamber of Commerce for its own purposes.

The Governor then stated that he had advised the Comptroller of the Currency by wire of the opinion of the Attorney General and had requested him to advise the Board how he would vote on the proposal of the Cleveland Bank if present at this meeting.

Upon motion by Mr. Hamlin, the Comptroller's reply as follows, was ordered spread on the minutes:
"Your telegram received stating Attorney General rendered opinion upholding legality Cincinnati Branch project, in view of which I would favor resolution stating in substance that Board would interpose no objections".

The Governor further stated that he had not wired Mr. Cunningham regarding the matter because he had not participated in previous discussions of it and was not familiar with the proposition, while the Comptroller of the Currency had attended former meetings at which it was discussed.

After discussion, Mr. Platt moved that in view of the opinion of the Attorney General, the Board interpose no objection to the proposal of the Federal Reserve Bank of Cleveland.

Mr. Platt's motion being put by the Chair was carried, the members voting as follows:

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

Report of Committee on Examinations on letter dated August 3rd from the Executive Committee of the Federal Reserve Bank of Atlanta, transmitting and recommending approval of an application of the Farmers Bank, Pelham, Georgia, for permission to establish a branch de novo at Sale City, Georgia; Mr. James recommending that the application be denied and Mr. Platt verbally recommending its approval.

After discussion, Mr. Platt moved approval of the application.

Mr. Platt's motion being put by the chair was carried, the members voting as follows:

Governor Crissinger, "aye"
Mr. Platt, "aye"
Mr. Hamlin, "aye"
Mr. Miller, "no"
Mr. James, "no"
After further discussion, it was voted that a letter be addressed to the Federal Reserve Bank of Atlanta advising that the above approval is given because of the fact that Sale City is at the present time without banking facilities and that before advising the Farmers Bank of Pelham of the Board's action in approving the application, the Executive Committee of the Federal Reserve Bank should satisfy itself that the bank is in a position to extend the accommodation required by the Sale City community, regarding which the Board has some doubt.

The Secretary then requested authority to drop from the rolls the name of Mr. Robert A. Lyon, extra man for night work in the Gold Settlement Division, whose services have not been utilized for some months and are no longer required.

Approved.

REPORTS OF STANDING COMMITTEES:

Dated, August 5th, Recommending changes in stock at Federal Reserve banks, as set forth in the Auxiliary Minute Book of this date. 
Approved.

Dated, August 6th, Recommending action on application for fiduciary powers, as set forth in the Auxiliary Minute Book of this date. 
Approved.

Dated, August 6th, Recommending action on application for fiduciary powers, as set forth in the Auxiliary Minute Book of this date. 
Ordered held.

The meeting adjourned at 11:45 a.m.

Approved: 

[Signature]

Governor.

[Signature]

Secretary.