

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, September 8, 1925, at 11:00 a.m.

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

The reading of the minutes of the meetings of the Federal Reserve Board held on August 25th and 26th, and the meeting of the Executive Committee held on September 2nd, was dispensed with.

Matter approved on initials on September 5th, namely, application of the First National Bank, Parkville, Missouri, for original stock (18 shares) in the Federal Reserve Bank of Kansas City, effective if and when the Comptroller of the Currency issues a certificate of authority to commence business.

Formally approved.

Letter dated September 2nd from the Governor of the Federal Reserve Bank of Dallas, enclosing transcript of the proceedings of a conference held at the Federal Reserve Bank between the Public Relations Committee of the Texas Bankers Association and representatives of various mortgage loan companies, leading insurance companies, the Federal Land Bank of Houston and the three joint stock land banks doing business in Texas, and enclosing copy of a circular letter issued by the Federal Reserve Bank on the subject of "Relation of Credit Policy to Crop Outlook".

Ordered circulated.

Memorandum dated September 5th from the Chief of the Division of Research and Statistics, recommending acceptance of the resignation of Mr. Russell C. Engberg, employed as research assistant with the Board's Division

9/8/25

-2-

of Research and Statistics on a half time basis, who has been unable to attend to his duties since the first of June and submitting check for \$52.09, refund for salary paid him during the month of June.

Upon motion, the resignation was accepted.

Letter dated September 4th from Mr. J. T. Pelton, tendering his resignation as Assistant Federal Reserve Examiner, effective at the close of business August 21, 1925 and submitting his check for \$40.00, refund of salary paid him for the period August 22nd to 31st inclusive.

Upon motion, the resignation was accepted.

At this point, Mr. McIntosh entered the meeting.

Matters approved on initials on September 4th, namely, letters dated September 4th from the Comptroller of the Currency, recommending salaries of \$2700, \$3000 and \$3600 per annum respectively, for National Bank Examiners Albert B. Price (junior grade), Lyle T. Stevens and Louis A. Miller, to be assigned to the Twelfth, Ninth and Tenth Federal Reserve Districts.

Formally approved.

Report of Committee on Salaries, Expenditures and Efficiency on letter dated September 3rd from the Comptroller of the Currency, recommending approval of increases in the salaries of National Bank Examiners as follows; the Committee also recommending approval.

E. A. Allanson -	\$4500 to	\$5000
C. H. Hartman -	4200 to	4500
J. H. Ketner -	3000 to	3300
R. C. McConaughy -	4500 to	4800
G. F. Smith -	3300 to	3600
V. G. Snyder -	4000 to	4200
R. W. Wylie -	3900 to	4200

Approved.

9/8/25

-3-

Report of Committee on Examinations on memorandum dated August 27th from the Acting Comptroller of the Currency, recommending approval of an application of the First National Bank of Lander, Wyoming, for permission to reduce its capital stock from \$75,000 to \$50,000 on condition that no money be returned to the shareholders but that the amount set free by the reduction be used in removing doubtful assets and losses as shown by the last report of examination, all assets withdrawn to be trusted for the benefit of shareholders at date of reduction; the Committee also recommending approval.

Approved.

Letter dated September 1st from the Federal Reserve Agent at San Francisco, transmitting application of the American Bank of San Francisco for an extension of six months in the period in which the bank may establish the branch de novo at 73rd Avenue and East 14th Street, Oakland, approved by the Board on February 3, 1925.

Upon motion, it was voted to grant the extension requested.

Order of the President of the United States, dated August 27, 1925 as follows:

"Under the provisions of the Federal Reserve Act (Section 10), approved December 23, 1913, as amended, Edmund Platt is hereby designated Vice-Governor of the Federal Reserve Board for the period from August 10, 1925, to August 10, 1926, or until otherwise directed.

(Signed) Calvin Coolidge."

Noted.

9/8/25

-4-

Memorandum dated September 3rd from the Secretary, approved by Mr. James, suggesting that there be placed on the programs for the forthcoming conferences of Governors and Federal Reserve Agents, the motion made by Mr. James at the meeting on September 2nd - "That, following the convention of the American Bankers' Association to be held in Atlantic City this fall, the Federal reserve banks discontinue the practice of displaying exhibits at such conventions".

After discussion, the matter was ordered placed on the conference programs.

Draft of letter to the Chairmen of all Federal reserve banks advising of the ruling adopted by the Board at the meeting on August 26th that leaves of absence with salary for officers and employees of Federal reserve banks should never be granted for periods of more than three months.

Thereupon ensued a discussion as to the advisability of the ruling in question, which was followed by a discussion of the further action taken by the Board on August 26th when it voted that applications for leaves in excess of two months shall be approved only on the affirmative vote of five members of the Board, and of the advisability of amending the by-laws of the Board to include this provision and other provisions informally suggested requiring the affirmative vote of five members on various other matters frequently considered by the Board.

Following the discussion, Mr. McIntosh moved that the ruling of the Board regarding leaves of absence to officers and employees of Federal reserve banks be referred to a special committee to be appointed by the Governor for the purpose of recommending to the Board a general revision of its by-laws.  
Carried.

The Governor designated Messrs. Miller, James and Platt as members of the special committee.

9/8/25

-5-

Memorandum dated September 8th from the Committee on Salaries, Expenditures and Efficiency, submitting drafts of circular letters to all Governors and all Federal Reserve Agents transmitting summaries of replies received to the Board's letters of June 4, 1925 with which each Governor and Agent was furnished with a copy of the report of the sub-committee appointed to study the bank examination and credit functions of the Federal reserve banks; the letter to the Federal Reserve Agents requesting consideration of the bank examination portion of the report at the forthcoming conference of Federal Reserve Agents and that to the Governors requesting consideration of the credit portion at their forthcoming conference.

Upon motion, the proposed letters were approved.

Report of Committee on Examinations on letter dated September 2nd from the Federal Reserve Agent at Atlanta transmitting and recommending approval of an application of the Florida National Bank, Jacksonville, Florida, for permission to accept up to 100% of its capital and surplus; the Committee reporting that in its opinion the condition of the bank does not warrant the giving of authority to take on additional liability even of a contingent nature.

After discussion, Mr. Miller moved disapproval of the application.

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

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

9/8/25

-6-

Letter dated September 1st from the Federal Reserve Agent at Dallas, with regard to application for admission to the Federal Reserve System made by "The Merchants and Planters State Bank" of Winnsboro, Texas, organized to take over the "Merchants and Planters State Bank" of that place, a member bank; the Federal Reserve Agent reporting that after an examination of the new institution, they are not disposed at the present time to view with favor the bank's application for reinstatement of its membership, and have concluded to defer consideration of the matter until after the close of the approaching liquidating season, at which time another examination will be made.

Noted.

Draft of letter to the Federal Reserve Agent at Cleveland advising of the Board's action of August 25th in disapproving the application of the Commercial Savings Bank and Trust Company of Toledo, Ohio, for permission to establish a branch at the intersection of Detroit, Delaware and Hollywood Avenues, Toledo.

Approved.

Mr. Miller then moved that the Division of Research and Statistics, in collaboration with Professor Sprague, investigate and report to the Board what changes in the ratios of capital and capital assets to current liabilities have taken place with respect to member banks of the Federal Reserve System, the causes for same, and what, if any, recommendations they may see fit to make.

Carried.

9/8/25

-7-

Drafts of letters, prepared in accordance with action taken at the meeting on August 26th, to the Governor of the Federal Reserve Bank of Cleveland and to Messrs. Cramer and Gordon of Cincinnati, with respect to the latter's request for information regarding the purchase by the Federal Reserve Bank of the building site at 4th and Race Streets, Cincinnati, recently sold by it.

The Governor stated that he expected to visit Cleveland next week and at his suggestion, he was authorized to take the matter up informally with the Federal Reserve Bank of Cleveland before the above letters are transmitted.

Memorandum from Counsel dated August 29th, with reference to the application of Mr. Barron G. Collier for permission to serve at the same time on the directorates of the National American Bank, the Empire Trust Company and the Cosmopolitan Bank, all of New York City, which was refused by the Board on June 9, 1925 as to the National American Bank and the Empire Trust Company, branches of which were believed to be in competition; Counsel stating that evidence since submitted disclosed that the two institutions are not in substantial competition and recommending that the Board approve the application.

Upon motion, it was voted to reconsider the Board's action of June 9th and to approve Mr. Collier's application for permission to serve at the same time as Director of the National American Bank, the Empire Trust Company and the Cosmopolitan Bank, all of New York City.

The Secretary then called attention to the fact that the Board had not yet advised the Federal Advisory Council of the topics it wishes considered at the meeting of the Council to be held on September 21st.

9/8/25

-8-

Mr. Miller suggested that the Board request the Council to come prepared to present a careful survey of business, credit and other related developments since the May meeting of the Council and advise that it desires a thorough going discussion of all factors bearing upon the discount and open market policies of the Federal Reserve banks and recommendations with respect to these matters covering the remaining months of the year.

Mr. James suggested that the Council be requested to consider the cause and effect of the present trend toward lower ratios of capital assets to current liabilities in the banking institutions of the country.

The Secretary then called attention to the fact that the Council had requested copies of the report of the Committee on Voluntary Services replying to the brief of the American Bankers Association Committee on Collection of Non-Cash Items by Federal Reserve Banks and was instructed to furnish the Council with copies of the report.

The Secretary then reported that replies had been received to the Board's telegrams to all Federal Reserve Agents and to the Secretary of the Governors' Conference regarding the fall conferences and that a majority of both the Governors and Federal Reserve Agents had expressed their agreement with the suggestion of the Board that a separate Federal Reserve Agents' Conference be held in Washington on October 29th, 30th and 31st and a separate Governors' Conference on November 2nd, 3rd and 4th, to be followed immediately by a joint conference of Governors and Federal Reserve Agents.

Upon motion, the above dates were formally approved by the Board and the Secretary was instructed to submit to the Board a list of the topics which have thus far been ordered placed on the conference programs.

The Secretary then reported that Dr. Stewart and Professor Sprague wish to confer with the Board regarding the report of the Federal Reserve



9/8/25

-9-

Agents Committee on Reserves, and upon motion it was voted that the conference be held on Friday morning at 10:30 o'clock.

Mr. Miller then suggested that some time during the week the Board invite Professor Sprague to come before it and inform the Board of the impressions gained by him during his recent visit to the Federal reserve banks. He also suggested that Dr. Stewart be requested to come before the Board for the purpose of reporting on his recent European trip.

Letter dated August 25th from the Federal Reserve Agent at San Francisco, transmitting and commenting on a letter from the President of the American Bank of San Francisco, requesting a hearing with reference to the Board's action in disapproving that bank's application for permission to purchase the Bank of Alameda and to establish branches in its premises.

Mr. Miller moved that the bank's request be granted and that the hearing be held on a date to be fixed by the Governor.

REPORTS OF STANDING COMMITTEES:

Dated, September 2nd, Recommending changes in stock at Federal Reserve  
4th, banks, as set forth in the Auxiliary Minute Book  
8th, of this date.

Approved.

Dated, September 8th, Recommending action on applications for fiduciary  
powers as set forth in the Auxiliary Minute Book  
of this date.

Approved.

Dated, September 8th, Recommending approval of the application of Mr.  
H. O. Seymour for permission to serve at the same  
time as director of the First Wisconsin National  
Bank and the Mechanics National Bank, both of  
Milwaukee, Wisconsin.

Approved.

9/8/25

REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, September 8th, Recommending approval of the application of Mr. C. R. Messinger for permission to serve at the same time as director of the First Wisconsin National Bank and the Mechancis National Bank, both of Milwaukee, Wisconsin.

Approved.

Dated, September 8th, Recommending approval of the application of Mr. Fred Vogel, Jr., for permission to serve at the same time as director of the First Wisconsin National Bank, the First Wisconsin Trust Company and the Mechancis National Bank, all of Milwaukee, Wisconsin.

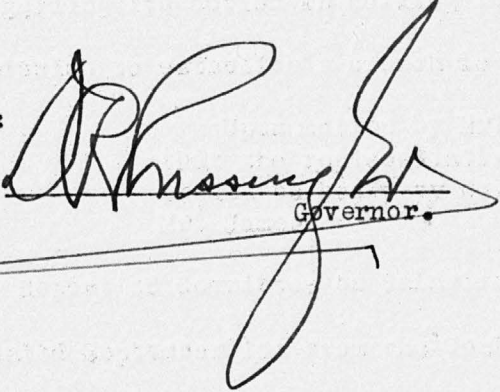
Approved.

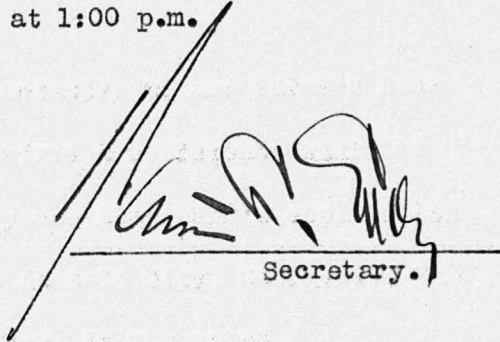
Dated, September 8th, Recommending approval of the application of Mr. Fred T. Goll for permission to serve at the same time as director of the First Wisconsin National Bank and the Mechancis National Bank, both of Milwaukee, Wisconsin.

Approved.

The meeting adjourned at 1:00 p.m.

Approved:

  
Governor.

  
Secretary.