

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, September 15, 1925 at 11:15 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on September 9th were read and approved.

Matter approved on initials on September 11th, namely, application of the Hugo National Bank, Hugo, Okla., for the surrender of 135 shares of stock in the Federal Reserve Bank of Dallas.

Formally approved.

Matter approved on initials on September 14th, namely, application of the Seaside National Bank, Long Beach, Cal., for original stock (198 shares) in the Federal Reserve Bank of San Francisco, effective if and when the Comptroller of the Currency issues a certificate of authority to commence business.

Formally approved.

Letter dated September 11th from the Assistant Secretary of the Treasury, requesting that the Secretary and the General Counsel of the Board be permitted to assist a new committee designated by the Secretary of the Treasury to consider the matter of reducing the size of currency notes, changes in redemption procedure and other related matters.

Upon motion by Mr. James, Messrs. Eddy and Wyatt were authorized to assist the committee.

9/15/25

-2-

Telegrams dated September 11th and 13th, respectively, from Honorable W. B. Pine and Honorable J. W. Harreld, United States Senators from Oklahoma, recommending the appointment of Mr. A. D. Kennedy of Okmulgee, Okla. as a director of the Oklahoma City Branch of the Federal Reserve Bank of Kansas City, together with other telegrams and letters endorsing Mr. Kennedy, Mr. E. J. Murphy of Clinton, Okla., and Mr. R. K. Wootten of Chickasha, Okla.

Noted.

Report of Committee on District No. 10, dated September 12th, recommending the appointment of Mr. E. J. Murphy of Clinton, Okla. as a director of the Oklahoma City Branch of the Federal Reserve Bank of Kansas City, for the unexpired term of Mr. W. A. Stuart, resigned, ending December 31, 1927.

Upon motion by Mr. Cunningham, it was voted that the appointment in question be tendered to Mr. Murphy.

Report of Committee on Examinations on memorandum dated September 11th from the Comptroller of the Currency, recommending approval of the application of the First National Bank of Fort Gaines, Ga., for permission to reduce its capital stock from \$55,500 to \$50,000; the Committee also recommending approval.

Approved.

Report of Committee on Examinations on letter dated September 8th from the Federal Reserve Agent at Kansas City, transmitting and recommending approval of an application of The Citizens Bank, Aztec, New Mexico, for permission to purchase the Aztec State Bank; the Committee recommending approval.

Approved.

9/15/25

-3-

Report of Committee on Examinations on letter dated September 8th from the Executive Committee of the Federal Reserve Bank of Atlanta, transmitting a statement of condition of the Farmers Bank of Pelham, Ga., at the close of business September 5, 1925, and recommending approval of the bank's application for permission to establish a branch at Sale City; the Committee recommending approval of the application in view of the improved condition of the institution and also in consideration of the action of the Board in approving the application on August 6th, which action was reconsidered at the meeting on August 26th and the application held in abeyance.

Upon motion by Mr. James, it was voted to reconsider the action of August 26th, holding the application in abeyance, and to again approve same.

Report of Committee on Examinations on memorandum dated September 5th from the Comptroller of the Currency, recommending approval of the application of the First National Bank of Stillwater, Minn. for permission to reduce its capital stock from \$350,000 to \$200,000; the Committee also recommending approval.

Approved.

Telegram dated September 14th from the Federal Reserve Agent at San Francisco, advising that the President and Vice President of the American Bank of San Francisco desire that the hearing accorded them by the Board on the bank's application to establish branches at Alameda be held as early as possible after September 23rd, and suggesting September 24th as the date for the hearing.

9/15/25

-4-

Upon motion, it was voted that the Federal Reserve Agent be advised that September 24th will be agreeable to the Board for the hearing but that Messrs. Miller and Hamlin will not be in Washington on that date.

Letter dated September 8th from the Federal Reserve Agent at Chicago, advising of the probable resignation of Mr. E. L. Harris, Acting Assistant Federal Reserve Agent and Secretary of the Board of Directors of the bank, setting forth the necessity for two Assistant Federal Reserve Agents at Chicago, and requesting an expression of opinion regarding the appointment of Mr. Ralph H. Buss, one of the bank's Managers of Loans; the Federal Reserve Agent stating that Mr. Buss would be appointed at a lower salary than that received by Mr. Harris and without an increase at the present time and that he would assume the duties of Manager of the Bank Relations Department which title would be abolished.

After discussion, upon motion by Mr. James, it was voted to refer the above letter to Mr. Cunningham for report.

Letter dated September 9th from the Governor of the Federal Reserve Bank of Minneapolis requesting further consideration by the Board of the matter presented in his letter of September 17th, 1924, namely, a suggestion that the Board amend its regulations so as to make eligible for rediscount or purchase by a Federal Reserve bank, acceptances drawn by an elevator company secured by regular registered terminal warehouse receipts of the elevator company that draws the draft.

After discussion, it was voted that the above matter be referred to Counsel for the preparation of a form of amendment to the Board's regulation which would make eligible the acceptances in question.

9/15/25

-5-

Letter dated September 3rd from the Chairman of the Federal Reserve Bank of San Francisco, submitting a resolution adopted by the Board of Directors of that bank requesting approval by the Board of a leave of absence for Mr. Ernest C. Mailliard, Assistant Cashier, for three months, beginning September 1, 1925, with full pay, and for an additional three months, beginning December 1, 1925, without pay.

After discussion, it was voted that the above matter be referred to the Committee on Salaries, Expenditures and Efficiency.

Memorandum from Counsel with reference to application of the Ohio Trust Company of Cleveland, Ohio, for the surrender of Federal Reserve Bank stock held by the Reliance Trust Company and the Commonwealth Banking and Trust Company, both of Cleveland, which were consolidated to form the Ohio Trust Company; Counsel stating that the Board may properly approve the application for the surrender of excess Federal Reserve Bank stock held by the Ohio Trust Company but calling attention to the fact that the consolidation in question was effected without the approval of the Board.

After discussion, upon motion by Mr. Cunningham, the Secretary was instructed to inquire of the Federal Reserve Bank of Cleveland why the Board was not notified of the consolidation in question and to inquire further whether the new institution is willing to accept the conditions of membership imposed upon banks now admitted, in accordance with the regulations of the Board.

Letter dated September 15th from the Comptroller of the Currency, recommending approval of an increase from \$6500 to \$7500 per annum in the salary of National Bank Examiner W. P. Folger, who has been designated as Chief National Bank Examiner of the 5th Federal Reserve District.

Approved.

9/15/25

-6-

Mr. Platt then reported that in accordance with the suggestion made at the informal meeting yesterday, he had called Deputy Governor Case of the Federal Reserve Bank of New York over the telephone and had inquired regarding a meeting of the Open Market Investment Committee some time this week. He stated Mr. Case had advised him that it would not be feasible to hold such a meeting. He also stated that Governor Strong was expected to return today but that it would be impossible for him to come to Washington before next week.

Mr. Miller then introduced the following resolution and asked that it be made special order for the meeting of the Board on Tuesday, September 22nd:

"Resolved, That a reduction of holdings of government securities, to be followed in due course by an advance in the discount rate of the Federal Reserve Bank of New York, should its discounts show an appreciable increase, will be conducive to the maintenance of a good state of business sentiment and to a healthier credit situation."

Thereupon followed a discussion of the above resolution, during which Mr. McIntosh left the meeting.

Mr. Miller stated that it was his intention, in the event the above resolution was adopted, to move that a copy of it be sent to the directors of the Federal Reserve Bank of New York with a request for an expression of their views and recommendations.

REPORTS OF STANDING COMMITTEES:

Dated, September 10th, Recommending changes in stock at Federal Reserve
11th, banks, as set forth in the Auxiliary Minute Book
14th, of this date.

Approved.

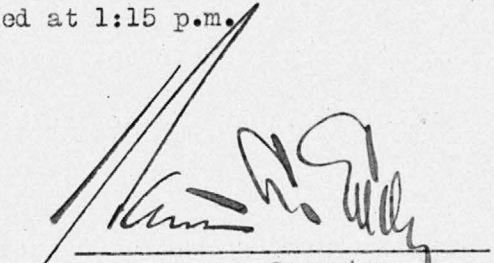
9/15/25

REPORTS OF STANDING COMMITTEES: (Cont'd)

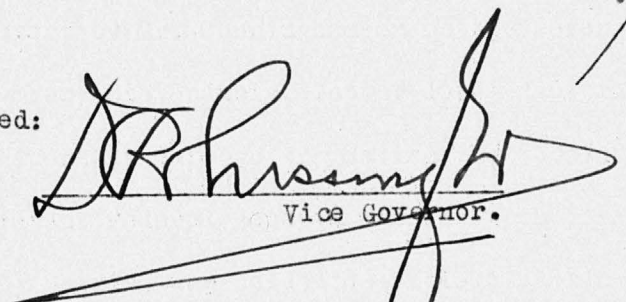
Dated, September 9th, Recommending approval of the application of Mr. John W. Snowden for permission to serve at the same time as director of the Northern National Bank, and as President and director of the Queen Lane National Bank, both of Philadelphia, Pa.
Approved.

Dated, September 9th, Recommending approval of the application of Mr. James T. Wilson for permission to serve at the same time as director of the First National Bank of Kenosha, Wis., and as director of the Mechanics National Bank of Milwaukee, Wis.
Approved.

The meeting adjourned at 1:15 p.m.


Secretary.

Approved:


Vice Governor.