

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, September 22, 1925, at 11:15 a.m.

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

The Governor stated that the special order business for this morning's meeting would be the resolution presented by Mr. Miller at the meeting on September 15th, as follows:

"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."

The Governor presented a letter, dated September 15th, from the Under Secretary of the Treasury, stating that the Secretary of the Treasury has quite distinct views on the above matter and suggesting that he be invited to the meeting today. The Governor was authorized to invite the Secretary into the meeting and left the room. Upon his return he reported that the Secretary was attending a meeting of the Cabinet, and the Board, therefore, postponed consideration of the special order and proceeded with its regular business.

The minutes of the meeting of the Federal Reserve Board held on September 17th were read and approved.

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Matter approved on initials on September 21st, namely, application of the Citizens National Bank of Rahway, New Jersey, for original stock (75 shares) in the Federal Reserve Bank of New York, effective if and when the Comptroller of the Currency authorizes the bank to commence business.

Formally approved.

Telegram dated September 21st from the Deputy Governor of the Federal Reserve Bank of New York, advising that effective September 22nd the bank's minimum purchase rates on bankers acceptances will be increased to  $3\frac{1}{2}\%$  for maturities within forty-five days and to  $3\frac{3}{8}\%$  for maturities from forty-six to ninety days, maturities over ninety days to remain unchanged.

Noted with approval.

Report of Committee on Examinations on memorandum dated September 16th from the Comptroller of the Currency, recommending approval of an application of the First National Bank of Roy, New Mexico, for permission to reduce its capital stock from \$50,000 to \$25,000 under certain conditions set forth in the memorandum; the Committee also recommending approval.

Approved.

Telegram dated September 17th from Mr. E. J. Murphy of Clinton, Okla., advising that he will accept appointment by the Board as a director of the Oklahoma City Branch of the Federal Reserve Bank of Kansas City for the unexpired term ending December 31, 1927.

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Upon motion, Mr. Murphy was formally appointed for the term mentioned.

Letter dated September 18th from the Governor of the Federal Reserve Bank of Richmond, advising of the action of the board of directors of that Bank in authorizing the construction of a five-story building to house the Baltimore branch at a cost of \$1,025,000, including architect's fees; the Governor also stating that a resolution granting the necessary authority will be introduced at the forthcoming session of Congress and that the Building Committee of the Bank will appear before the Board at the proper time to explain the details of the proposed construction.

Ordered circulated.

Matter approved on initials on September 21st, namely, report of Committee on Examinations on letter dated September 16th from the Federal Reserve Agent at Boston, transmitting and recommending approval of the application of the State Street Trust Company, Boston, Massachusetts, for permission to purchase the National Union Bank of Boston; the Committee also recommending approval.

Formally approved.

Report of Committee on Salaries, Expenditures and Efficiency on letters dated September 17th from the Comptroller of the Currency, recommending salaries of \$2400, \$3,000 and \$3,000, respectively, for National Bank Examiners Charles H. Loewer (junior grade), Harry A. Norman (senior grade), and Lewis R. Elkins (senior grade), to be assigned to the Third, Seventh and Eighth Federal Reserve Districts, respectively; the Committee

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also recommending approval.

Approved.

The Governor then reported that while in Cleveland last week he had taken up with the Governor of the Federal Reserve Bank of Cleveland the inquiry made of the Board by Messrs. Cramer and Gordon, Attorneys at Cincinnati, with reference to the property at 4th and Race Streets, Cincinnati, purchased by the Federal Reserve Bank in 1920. He presented a letter addressed to him by the Governor of the Bank outlining in detail the transaction in question and expressed the opinion that inasmuch as the information was desired in connection with a suit being brought against the sellers of the property, the Union Central Life Insurance Company of Cincinnati, by an insurance agent, the information contained in the letter ought not to be furnished to Messrs. Cramer and Gordon by the Board.

Upon motion, the above letter was ordered circulated.

The Governor then left the meeting and upon his return reported that he had seen the Secretary of the Treasury who had stated he did not believe it would be necessary for him to attend the meeting in connection with the consideration of the special order business.

The Board then called into the meeting the Open Market Investment Committee for the Federal Reserve System which is in session in Washington today. Messrs. Strong, Harding, Hutt, Fancher and McDougal, members

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of the Committee, as well as Mr. W. R. Burgess, of the Federal Reserve Bank of New York, and Dr. Stewart, Director of the Board's Division of Research and Statistics, entered the room.

The Chairman of the Committee stated that the Committee's recommendations were set forth in his report of this date, copies of which were handed to the individual members of the Federal Reserve Board. Following a general discussion of the credit situation and possible trends during the remaining months of the year, the Committee left the meeting.

Mr. Miller then called for a vote on his resolution of September 15th, which at the meeting on that date was made special order for today.

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

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

Mr. Platt stated that in view of the report of the Chairman of the Open Market Committee, above referred to, he was doubtful as to the advisability of selling open market investments, but that he voted "aye" on Mr. Miller's motion on general principles.

REPORTS OF STANDING COMMITTEES:

Dated, September 17th, Recommending changes in stock at Federal Reserve  
19th, Banks, as set forth in the Auxiliary Minute Book  
of this date.

Approved.

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, September 22nd, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Approved.

Dated, September 18th, Recommending approval of the application of Mr. J. H. Harrison for permission to serve at the same time as director of the National State Bank of Newark, N.J., as director of the Montclair Trust Company of Montclair, N.J. and as director of the Caldwell National Bank, Caldwell, N.J.

Approved.

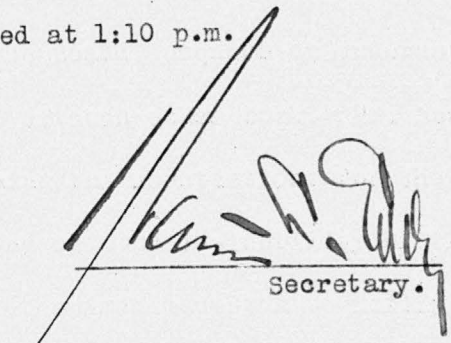
Dated, September 19th, Recommending approval of the application of Mr. O. H. Cheney for permission to serve at the same time as director of the Searsdale National Bank, Searsdale, N.Y., as director of the American Exchange Pacific National Bank, New York City, and as director of the American Trust Company of New York City.

Approved.

The meeting adjourned at 1:10 p.m.

Approved:

  
Governor.

  
Secretary.