

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, October 27, 1925, at 11:20 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on October 15th were read and approved.

The minutes of the meetings of the Executive Committee held on October 22nd and 23rd were read and approved.

Matter approved on initials on October 24th, namely, memorandum dated October 23rd from the Division of Examination, recommending approval of an application for the surrender of 66 shares of stock in the Federal Reserve Bank of Dallas held by the City National Bank, Hugo, Okla.

Formally approved.

Matter approved on initials on October 16th, namely, memorandum dated October 16th from the Board's Chief Examiner requesting that a thirty-day leave of absence with pay be granted to Examiner P. A. Gordon.

Formally approved.

Report of Committee on Salaries, Expenditures and Efficiency on letter dated October 23rd from the Acting Comptroller of the Currency, recommending approval of a salary of \$3,000 per annum for National Bank Examiner Addison A. Clarke; the Committee also recommending approval.

Approved.

Bond of Mr. C. K. Boardman, Assistant Federal Reserve Agent at Kansas City, in the amount of \$50,000.

Approved.

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Letter dated October 22nd from the Deputy Governor of the Federal Reserve Bank of New York, advising of the action of the board of directors of that bank in voting to authorize the opening of an account with the National Bank of Hungary, Budapest, the establishment of a relationship with that bank along the same general lines as arrangements with other foreign central banks, and the appointment of the National Bank of Hungary as agent and correspondent of the Federal Reserve Bank of New York in return for a similar appointment from them.

Upon motion, it was voted to approve the action of the directors of the Federal Reserve Bank of New York.

Letter dated October 22nd from the Chairman of the Federal Reserve Bank of Boston, requesting approval of the action of the board of directors of that bank in authorizing the Governor to contribute to the Federal Reserve Society the sum of \$2500 to be expended by the Society for educational and welfare work among the employees of the bank. The Secretary called attention to the fact that as this is the usual contribution of the Federal Reserve Bank of Boston, the approval of the Board is not required under the rulings contained in the Board's circular letters of December 13, 1924 (X-4211) and March 16, 1925 (X-4290).

Noted, with approval.

Report of Committee on Examinations on letter dated October 24th from the Assistant Federal Reserve Agent at Cleveland, transmitting and recommending approval of an application of the Cleveland Trust Company, Cleveland, Ohio for permission to establish a branch at the inter-section

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of Kinsman and Lee Roads, Shaker Heights, Ohio; the Committee also recommending approval.

Approved.

Report of Committee on Examinations on letter dated October 14th from the Federal Reserve Agent at San Francisco, transmitting communications from the American Bank of San Francisco giving the assurances regarding that bank's familiarity with its conditions of membership and the provisions of the Board's Regulation H, requested as a result of the action taken by the Board at its meeting on September 23rd; the Committee stating that the assurances are in the form requested by the Board and recommending that the Board now approve the application of the American Bank of San Francisco for permission to purchase the Bank of Alameda and to establish branches in its premises, which application was disapproved at the meeting on August 5th and reconsidered at the meeting on September 23rd.

Upon motion, it was voted to adopt the recommendation of the Committee that the application of the American Bank for permission to acquire the Bank of Alameda and to establish branches in its premises be approved.

Report of Committee on Examinations on letter dated September 29th from the Federal Reserve Agent at San Francisco, transmitting and recommending approval of an application of the American Bank of San Francisco for permission to establish a branch de novo on Market Street, near Van Ness Avenue, San Francisco; the Committee also recommending approval.

Approved.

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Memorandum from Counsel dated October 16th, with reference to the application of the National City Bank of New York for permission to establish a branch in the Dominican Republic with its main office in the city of Santo Domingo and for permission to establish certain sub-branches; Counsel stating that the application is in the usual form and that there is no legal reason why it should not be granted. The Secretary reported that an inquiry had developed the fact that the branches in question, if approved, would be established by the National City Bank taking over existing branches of the International Banking Corporation, the stock of which is owned by the National City Bank.

Upon motion, the following was ordered spread upon the minutes:

"The National City Bank of New York, having on or about October 15th, 1925, filed an application with this Board for the purpose of obtaining authority to establish a Branch, with its main office in the City of Santo Domingo, Dominican Republic, and with sub-branches, agencies or offices in each of the places known as Barahona, La Vega, Puerto Plata, Sanchez, San Francisco de Macoris, San Pedro de Macoris and Santiago de los Caballeros, or in any of the said places and the said application having been considered; and it appearing that the said application is properly made under the laws of the United States of America and should be granted, Now, therefore, it is

ORDERED, that the said application be and it hereby is approved, and that the said Bank be and it hereby is authorized to establish a Branch with the main office in the City of Santo Domingo, Dominican Republic, and to establish sub-branches, agencies or offices of the said Branch in each of the places known as Barahona, La Vega, Puerto Plata, Sanchez, San Francisco de Macoris, San Pedro de Macoris and Santiago de los Caballeros, or in any of the same."

The Governor then submitted correspondence exchanged with Mr. John W. Barton, Chairman of the Committee on Collection of Non-Cash Items by

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Federal Reserve Banks of the American Bankers Association, with reference to the possibility of final action in the near future on the recommendation of the Committee that the non-cash collection function of the Federal Reserve banks be discontinued. He submitted a letter dated October 19th from Mr. Barton advising that a questionnaire on the subject is being sent out by the American Bankers Association Committee and requesting that the decision of the Board on the matter be deferred until replies to the questionnaire can be received and analysed. He also presented a letter addressed to Mr. Barton, with the approval of the members of the Executive Committee, expressing the opinion that the briefs filed by the American Bankers Association Committee and the Governors' Committee on Voluntary Services contain sufficient data to assist the Board in arriving at some decision in the matter and stating that the Board will probably fix a date in the near future upon which it will take action, notice of which will be furnished the American Bankers Association Committee in sufficient time for it to arrange to come before the Board if it wishes to present any arguments in addition to those contained in its brief.

After discussion, Mr. Hamlin moved that the Board approve the letter addressed to Mr. Barton by the Governor and that action on the question of fixing a date for final decision on the question involved be deferred.

Carried.

Matter ordered circulated at the meeting on October 5th, namely, memorandum from Counsel dated October 2nd with reference to the application of Mr. John P. Wilson for permission to serve at the same time as director

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of the Harris Trust and Savings Bank and as director of the First National Bank, both of Chicago; Counsel submitting the question of substantial competition between the banks involved to the Board for determination.

After discussion, Mr. Hamlin moved that it is the opinion of the Board that there is no substantial competition between the institutions and that the application of Mr. Wilson be approved.

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

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

REPORTS OF STANDING COMMITTEES:

Dated, October 24th, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.
Approved.

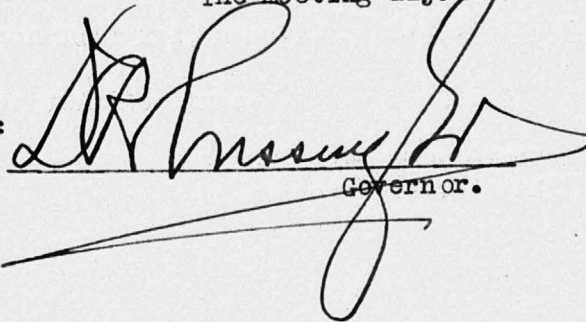
Dated, October 27th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Held.

Dated, October 26th, Recommending approval of the application of Mr. Edgar S. Hills for permission to serve at the same time as director, cashier and Vice President of the Deseret National Bank, Salt Lake City, Utah, as director and president of the Deseret Savings Bank, Salt Lake City, Utah, and as director of the First Utah National Bank, Ogden, Utah.
Approved.

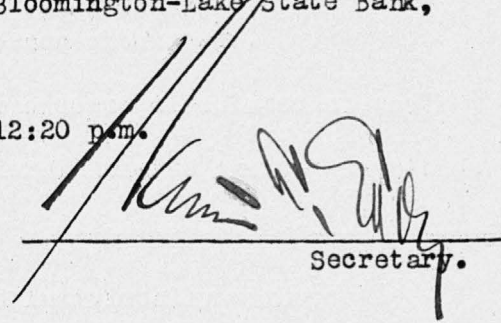
Dated, October 26th, Recommending approval of the application of Mr. J. S. Pomeroy for permission to serve at the same time as Vice President of the First National Bank of Minneapolis, Minn. and as President of the Bloomington-Lake State Bank, Minneapolis, Minn.
Approved.

The meeting adjourned at 12:20 p.m.

Approved:



Governor.



Secretary.