A meeting of the Federal Reserve Board was held in the office of
the Federal Reserve Board on Tuesday, November 17, 1925 at 12:15 p.m.

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

The Secretary stated that the special order business for this
morning's meeting would be consideration of the report made by the Chairman
of the Open Market Investment Committee at the time of the recent Governors' Conference, but in view of the fact that Messrs. Miller and James were absent
consideration of the report was deferred.

Matter approved on initials on November 13th, namely, application
of the Greenwood National Bank of Greenwood, Washington, for original stock
(15 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; this application superseding that approved by the Board
on November 10th, in the name of the Greenwood National Bank at Seattle,
Washington.

Formally approved.

Matter approved on initials on November 12th, namely, application
of The Old National-City Bank of Lima, Ohio, for general fiduciary powers;
the Board having approved all powers except that of Committee of Estates of
Lunatics, on which action was deferred because of question raised by Counsel
for the Federal Reserve Bank of Cleveland as to the authority of banks in
the state of Ohio to act in this capacity.

Upon motion, the above informal action was
ratified.
Memorandum dated November 14th from the Chief Examiner, recommending that on account of the illness of Mr. Charles H. Bartz, he be reassigned from the Field Force to the Office of the Division of Examination at a salary of $1,660 per annum, and that the vacancy on the Field Force be filled by the transfer of Mr. J. F. Furbershaw for a trial period of 60 days at a salary of $2,000 per annum, all effective November 16, 1925.

Approved.

Letter dated November 14th from the Chairman of the Federal Reserve Bank of Atlanta, advising of the election of Mr. Walter E. Henley, President of the Birmingham Trust and Savings Bank, as a director of the Birmingham Branch for the unexpired term ending December 31, 1927.

Noted.

Letter dated November 16th from the Comptroller of the Currency, advising of the resignation of Ivan N. Hewitt, Schedule Clerk in the Federal Reserve Issue and Redemption Division, effective at the close of business November 16th.

Noted.

Bond of Mr. W. A. Heath, Federal Reserve Agent at Chicago, in the amount of $100,000.

Approved.

Bonds of Mr. Frederic H. Curtiss, Federal Reserve Agent at Boston, in the amounts of $75,000 and $25,000.

Approved.
Letter dated November 10th from Mr. Alexander B. Trowbridge, enclosing statement in the amount of $500, balance due on account of his services as Consulting Architect in connection with the erection of the building to house the Denver Branch of the Federal Reserve Bank of Kansas City.

Payment approved.

Letter dated November 10th from Mr. Alexander B. Trowbridge, enclosing statement in the amount of $1,250 on account of services as Consulting Architect in connection with the building to house the Birmingham Branch of the Federal Reserve Bank of Atlanta.

Payment approved.

Draft of circular letter to all Federal Reserve Agents, with reference to the date of termination of membership by a state bank giving six months' notice of intention to withdraw; the proposed letter stating that membership must continue until the bank has terminated same by the surrender of its stock, that such surrender must be made within a reasonable time (two months) after the termination of its six months' notice and that if membership is not terminated at the end of such reasonable period, unless further extended by the Board, the bank's notice of intention to withdraw becomes void.

Approved.

Draft of circular letter to the Chairman of all Federal Reserve banks on the subject of Closing of Books on December 31, 1925; the letter requesting that dividend resolutions and statements in the usual form be
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forwarded to reach the Board not later than December 10th.

Approved.

Draft of circular letter to the Chairman of all Federal Reserve Banks on the subject of Salaries for the year 1926; the letter requesting that before December 10th salary schedules be submitted on forms enclosed, together with statements showing salaries paid to officers and employees during 1925, and the estimated salary requirements for officers and employees during 1926, classified by functions.

Approved.

Report of Committee on Examinations on letter dated November 13th from the Assistant Federal Reserve Agent at Cleveland, transmitting and recommending approval of an application of the Pearl Street Savings and Trust Company, Cleveland, Ohio, for permission to establish a branch at the southeast corner of Lorain Avenue and Triskett Road, Cleveland; the Committee also recommending approval.

Approved.

Report of Committee on Examinations on letter dated November 14th, from the Assistant Federal Reserve Agent at Cleveland, transmitting and recommending approval of an application of the Union Trust Company, Cleveland, for permission to establish a branch at or near the corner of Altoona Avenue and Pearl Road, Cleveland; the Committee also recommending approval.

Approved.

Report of Committee on Examinations on letter dated November 9th, from the Federal Reserve Agent at St. Louis, transmitting and recommending approval of an application of The Baden Bank, St. Louis, for a reduction in
its reserve requirements from 10% to 7% on demand deposits; the Committee also recommending approval.

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

Mr. Cunningham moved, as a substitute, that action on the application be deferred pending a report by the Committee on Examinations, with reference to outlying banks in the city of St. Louis which have been granted reductions in their reserves and the situation with respect to others which may in future apply for such reductions.

Mr. Cunningham's substitute motion being put by the Chair was unanimously carried.

Draft of reply to letter dated November 14th from the Governor of the Federal Reserve Bank of Boston, requesting approval by the Board of maximum and minimum salaries, ranging from $960 to $2,000 per annum, for clerical employees of the bank to be grouped in several classes described; the proposed reply calling attention to the Board's policy of permitting adjustments in salaries of less than $2500 by the directors of the Federal Reserve banks without prior approval by the Board, and stating that since the adoption of this policy the Board has never objected to adjustments made by the directors in the salaries of such employees.

Upon motion, the proposed letter was approved.

Letter dated November 16th from the Federal Reserve Agent at New York, referring to the Board's letter of November 10th, and advising that the Executive Committee of that bank has voted to recommend approval of the application of the Liberty National Bank in New York for permission to exercise general fiduciary powers; the Board on July 10th, 1923, having granted it authority to act as registrar.
After discussion, upon motion by Mr. Hamlin, it was voted to approve the application of the Liberty National Bank for permission to exercise general fiduciary powers.

The Secretary then presented copy of telegram addressed to the Chairman of the Board of Directors of the Federal Reserve Bank of Richmond on November 12th, by direction of the Executive Committee, advising that December 9, 1925 will be a suitable date to the Board for a rehearing of the directors of the Federal Reserve bank on the subject of the establishment of a branch in the southwestern portion of the 5th Federal Reserve District.

Noted.

Letter dated November 14th from the Federal Reserve Agent at Dallas, advising that its transactions with the Farmers State Bank of Garvin, Okla., for practically the entire time since that institution's admission to the Federal Reserve System, have been unsatisfactory, and enclosing statements showing that the bank has been almost continually deficient in its reserves and very irregular in its remittances for cash letters and recommending that the institution be required to surrender its stock in the Federal Reserve Bank of Dallas and to forfeit all rights and privileges of membership.

Referred to the Law Committee.

Memoranda from Counsel dated November 12th and 13th, with reference to the authority of the Board over elections of Class B Directors and its right to declare a candidate ineligible for election; Counsel stating that the question of whether a person is eligible for office of Class B Director is one which can not be definitely decided until after election when he endeavors to qualify and assume the duties of office, and that the Board
has not authority to remove the name of any candidate from the list of nominees.

After discussion, it was voted that the proposed letter to the Federal Reserve Agent at Minneapolis, with reference to the qualification of a Class B Director who at the time of nomination is an officer of a national bank, action on which was deferred at the meeting on November 10th, be referred back to Counsel for revision.

Memoranda from Counsel dated November 2nd and 10th on the subject of the authority of the Federal Reserve Board to require notice from a member bank of its intention to establish a branch.

Ordered circulated.

Letters dated October 27th and November 2nd from Professor H. Parker Willis, Professor of Banking at Columbia University, requesting certain information with regard to state bank membership in the Federal Reserve System, and with regard to the examining work and departments of the Federal Reserve banks.

Upon motion, it was voted to interpose no objection to the furnishing of as much of the information desired by Dr. Willis as is available.

Letter dated November 12th from the Chairman of the Federal Reserve Bank of Philadelphia, with reference to action taken at the recent conference of Federal Reserve Agents in voting to recommend the revision of the general and branch banking conditions of membership contained in the Board’s Regulation H.

Referred to the Law Committee.
The Secretary then presented telegrams exchanged with the Federal Reserve Agent at Chicago, with reference to the application for trust powers filed in the name of the Knoxville National Bank and Trust Company, Knoxville, Iowa, which institution is being organized to succeed The Knoxville National Bank; Mr. McIntosh stated that he was granting the title "Knoxville National Bank and Trust Company" to the new institution, with the understanding that fiduciary powers could not be exercised until approved by the Federal Reserve Board and recommended that the bank's application for such powers be not acted upon by the Board until after an examination of the new institution had been made under his supervision.

It was thereupon voted that the Federal Reserve Agent at Chicago be advised that action on the above application will be deferred by the Board until the institution has been examined by the Comptroller of the Currency.

Matter ordered circulated at the meeting on November 10th, namely, memorandum dated November 6th from Counsel, with reference to the application of Mr. Paul Klopstock and others for the reservation of the title "First Federal Foreign Investment Trust", for a corporation which it has proposed to organize under the terms of Section 25 A of the Federal Reserve Act.

After discussion, it was voted to approve the application for reservation of the title.

The minutes of the meeting of the Federal Reserve Board held on November 10th were read and approved.
Mr. Platt then reported on behalf of the Executive Committee with reference to topics for consideration at the meeting of the Federal Advisory Council on November 30th. He stated that in addition to consideration of the question of ratios of capital to deposit liabilities in commercial banks and the usual consideration of credit and discount policies, the Council would discuss with Professor Sprague his suggestions for amendments to the National Banking Law and his other proposals, and further, that the Council would consider the question of "term settlements" on the stock exchange.

Letter dated November 13th from the Governor of the Federal Reserve Bank of New York, submitting the following proposals:

(1) That there be established a permanent standardization of grades and salaries for employees, to consist of about six different groups with a maximum salary of $5,000; that the Federal Reserve Board approve the revised standardization of grades and salaries and then authorize the directors of the bank to fix salaries within the grades, with the understanding that the bank will report to the Board at the end of each year all changes made, the estimated adjustments under this method not to exceed approximately $130,000.

(2) The absorption of not exceeding $100,000 of charges incident to the operation of the bank's cafeteria, and

(3) A general readjustment in officers' salaries aggregating about $40,000.

The Secretary stated that the above letter had been circulated among the members of the Board present and the text thereof had been wired to Mr. James who had replied that he was inclined to approve the plan outlined, but would not be willing to commit himself entirely as to approving any and everything that may be submitted thereunder.

After discussion, Mr. Hamlin moved that the Board approve the plan submitted in principle, including the estimated total adjustments, with
the understanding (1) that there will be submitted later for its information and specific approval the details of the plan of grading employees of the bank and standardizing salary ranges for the different grades; (2) that the individual increases contemplated under the proposed adjustment in officers' salaries will be submitted to the Board in due course for approval; and (3) that the absorption of $100,000 of cafeteria expense means $100,000 of the amount expended yearly for food, salaries of cafeteria employees, replacements, laundry, etc.

Unanimously carried.

REPORTS OF STANDING COMMITTEES:

Dated, November 12th, 14th, and 16th, recommending changes in stock at Federal Reserve banks, as set forth in the Auxiliary Minute Book of this date.

Approved.

Dated, November 17th, recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Approved.

Dated, November 10th, recommending approval of the application of Mr. A. E. Thomas for permission to serve at the same time as director and officer of the Continental National Bank, Fort Worth, Texas, and as director of the First National Bank, Alvord, Tex.

Approved.

Dated, November 10th, recommending approval of the application of Mr. F. E. Kenaston for permission to serve at the same time as director of the Northwestern National Bank, and as Vice President and Director of the Fourth Northwestern State Bank, both of Minneapolis, Minn.

Approved.

Dated, November 12th, recommending approval of the application of Mr. A. H. Marble for permission to serve at the same time as director and officer of the Stockgrowers National Bank, Cheyenne, Wyo., as director and officer of the Montana National Bank, Billings, Mont. and as director of the First National Bank, Parlo, Wyo.

Approved.
REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, November 10th, Recommending approval of the application of Mr. A. A. McRae for permission to serve at the same time as officer and director of the Northwestern National Bank and as officer and director of the Fourth Northwestern State Bank, both of Minneapolis, Minn.

Approved.

Dated, November 16th, Recommending approval of the application of Mr. S. M. Jasper for permission to serve at the same time as director of the First National Bank, St. Joseph, Mo., as director of the Live Stock National Bank, Sioux City, Iowa and as director of the Stockyards National Bank, Fort Worth, Texas.

Approved.

The meeting adjourned at 12:55 p.m.