

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, November 24, 1925 at 11:15 a.m.

PRESENT: Governor Crissinger  
Mr. Platt  
Mr. Hamlin  
Mr. Miller  
Mr. James  
Mr. Noell, Assistant Secretary

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

The reading of the minutes of the meeting of the Federal Reserve Board held on November 19th was dispensed with.

The minutes of the meeting of the Federal Reserve Board held on November 20th were read and approved.

The minutes of the meeting of the Federal Reserve Board held on November 23rd were read and approved as amended.

The Governor reported that he had taken up with Governor Strong over the telephone the matter of a meeting in the near future of the Open Market Investment Committee and that effort would be made to arrange the meeting for either Tuesday or Wednesday of next week, December 1st or 2nd.

Matter approved on initials on November 23rd, namely, application of the South Pasadena National Bank, South Pasadena, Cal., for original stock (66 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.

Matter approved on initials on November 23rd, namely, application

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of the Haledon National Bank, Haledon, N.J. for original stock (20 shares) in the Federal Reserve Bank of New York, effective if and when the Comptroller of the Currency issues a certificate of authority to commence business.

Formally approved.

Letter dated November 20th from Mr. J. E. Mahoney tendering his resignation as telegraph operator in the Board's office, effective at the close of business November 21st.

Accepted.

Memorandum dated November 24th from the Chief Telegrapher, approved by the Secretary, recommending the appointment of Mr. E. F. Anderson as telegraph operator, at a salary of \$165 per month, effective December 1st.

Approved.

Letter dated November 16th from the Assistant Federal Reserve Agent at San Francisco, advising that the Pacific Southwest Trust and Savings Bank of Los Angeles on November 14th moved its branch at 1605 West Washington Street to a new location at 1586 West Washington Street.

Noted.

Memorandum dated November 20th from the Chief of the Division of Bank Operations, enclosing statements of expenditures by the Federal Reserve banks for educational and welfare work, etc., during the month of October and for the ten month period ending October 31st.

Ordered circulated.

The Governor then presented copy of a resolution adopted by the Indiana Credit Men in convention at Indianapolis on November 12th and 13th,

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commending the Federal Reserve System and urging the rechartering of the Federal Reserve banks.

Ordered circulated.

Report of Committee on Examinations on memorandum dated November 23rd from the Comptroller of the Currency, recommending approval of an application of The First National Bank of Hendricks, West Virginia, for permission to reduce its capital stock from \$50,000 to \$25,000; the Committee also recommending approval.

Approved.

Report of Committee on Examinations on letter dated November 19th from the Chairman of the board of directors of the Federal Reserve Bank of Richmond, recommending approval of an application of The Baltimore Trust Company, Baltimore, Maryland, for permission to open a branch office at 1807 North Charles Street, Baltimore; the Committee also recommending approval.

Approved.

Letter dated November 20th from the Federal Reserve Agent at Chicago, requesting approval of the appointment of Mr. Edwin R. Mauss as Federal Reserve Examiner at a salary of not to exceed \$4800 per annum.

Approved.

Report of Committee on Salaries, Expenditures and Efficiency on letter dated November 18th from the Federal Reserve Agent at Philadelphia, requesting approval of a salary of \$6,000 per annum for Mr. Ernest C. Hill,

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appointed Manager of the Bank Examination Department to succeed Mr. Clarence E. Wolfinger, resigned; the Committee recommending approval.

Approved.

Memorandum from Counsel dated November 21st with reference to the termination of membership of the Farmers State Bank of Garvin, Okla.; Counsel submitting drafts of letters to the bank and to the Federal Reserve Agent at Dallas, advising that a hearing will be held in Washington at which representatives of the Farmers State Bank are requested to appear to show cause why the bank should not be required to surrender its stock in the Federal Reserve Bank of Dallas and to forfeit all rights and privileges of membership in the Federal Reserve System; the bank, in the event it desires to waive its right to appear at the hearing in Washington, to be permitted to present to the Federal Reserve Agent such evidence as it may care to have transmitted to the Board provided it notifies the Board in advance that it will not appear in Washington.

After discussion, it was voted to approve the above letters with the understanding that the hearing will be held on Thursday December 17th, notice to be received from the bank on or before December 10th as to whether it will be represented at the hearing.

Memorandum from Counsel with reference to letter received from the Commissioner of Banking of Michigan in reply to the Board's inquiry with reference to the capital requirements of banks in Michigan exercising fiduciary powers; Counsel submitting drafts of letters to the First National Bank of Lapeer, Michigan, and the First National Bank of Alger County, Munising, Michigan, advising that while a national bank in Michigan to

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exercise general trust powers must have a capital of at least \$150,000 or \$300,000, according to the size of the town in which it is located, the Board may grant authority to act as executor, administrator, guardian of estates and committee of estates of lunatics to any national bank having the capital required for the organization of a state bank in the city in which the national bank is located.

Upon motion, the proposed letters were approved.

Letter dated November 20th from the Chairman of the board of directors of the Federal Reserve Bank of Philadelphia, with reference to complaints regarding the manner in which announcement was made of the recent change in the rediscount rate of that bank.

Noted.

Letter dated November 19th from the Chairman of the Federal Reserve Bank of Philadelphia, requesting the views of the Board on his opinion that the Federal Reserve Bank of Philadelphia having raised its rediscount rate should raise accordingly its rate for purchases of acceptances.

Mr. Platt moved that the Chairman be advised that the Federal Reserve Board believes that when a Federal Reserve bank has changed its discount rate, its buying rate on acceptances should be revised accordingly.

After discussion, it was voted that action on the above motion be deferred with the understanding that the subject thereof will be discussed with the Open Market Investment Committee at its forthcoming meeting.

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At this point, Mr. Cunningham entered the meeting.

Telegram dated November 24th from the Chairman of the board of directors of the Federal Reserve Bank of St. Louis, in reply to an inquiry as to the movement of funds from the Eighth Federal Reserve District responsible for the present low reserve position of the Federal Reserve Bank of St. Louis.

Noted.

Letter dated November 17th from the Chairman of the board of directors of the Federal Reserve Bank of San Francisco, enclosing a list of investments of the Bancitaly Corporation including stock held in domestic and foreign banking institutions.

Ordered circulated.

Draft of circular letter to all Federal Reserve Agents, approved by the Committee on Salaries, Expenditures and Efficiency, requesting the submission not later than December 15, 1925 of a budget of expenditures covering work in the statistical and analytical function of the Federal Reserve banks, to be carried on during the year 1926.

Approved.

REPORTS OF STANDING COMMITTEES:

Dated, November 21st, Recommending changes in stock at Federal Reserve banks, as set forth in the Auxiliary Minute Book of this date.

Approved.

Dated, November 24th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Approved.

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REPORTS OF STANDING COMMITTEES: (Cont'd)

Dated, November 24th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Ordered held.

Dated, November 20th, Recommending approval of the application of Mr. G. Maurice Heckscher for permission to serve at the same time as director of the Liberty National Bank, New York City and as director of the National American Bank, New York City.

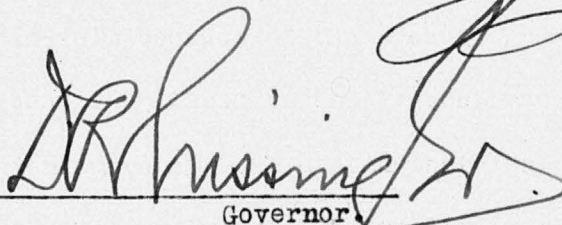
Approved.

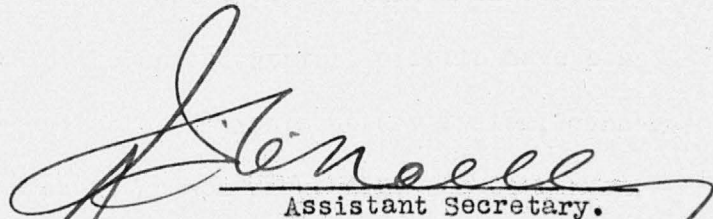
Dated, November 20th, Recommending approval of the application of Mr. F. E. Kenaston as director of the Northwestern National Bank of Minneapolis, Minn. as director and officer of the Fourth Northwestern State Bank of Minneapolis, Minn., and as director of the Security National Bank of West Minneapolis, Hopkins, Minn.

Approved.

The meeting adjourned at 12:50 p.m.

Approved:

  
Governor

  
Assistant Secretary.