

Upon call of the Governor a special meeting of the Federal Reserve Board was held in the office of the Governor on Monday, November 30, 1925 at 3:00 o'clock p.m.

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

The reading of the minutes of the meetings of the Federal Reserve Board held on November 19th, 24th and 25th was dispensed with.

The Governor presented letter dated November 30th from Mr. Walter W. Stewart, tendering his resignation as Director of the Board's Division of Research and Statistics, to be effective January 31, 1926..

Mr. Hamlin moved that the Board accept Dr. Stewart's resignation and that the Executive Committee transmit to him an appropriate letter expressing appreciation of his services.

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

The Governor then presented letter dated November 24th from the Governor of the Federal Reserve Bank of Cleveland, transmitting copy of circular letter addressed to all member banks by the American Bankers Association Committee on Collection of Non-Cash Items by Federal Reserve Banks, in support of that Committee's questionnaire on the question of whether this function should be discontinued; the letter pointing out that the brief presents the views of the American Bankers Association Committee and expressing the opinion that the member banks are entitled to be advised of the position taken by the Committee of Governors in

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the matter. The Governor also presented copy of a reply made on November 25th approving a suggestion that Federal Reserve banks, if they wish, issue a letter on the subject to their member banks.

Noted.

The Governor also presented a letter dated November 25th from Mr. John W. Barton, Chairman of the American Bankers Association Committee on Collection of Non-Cash Items by Federal Reserve Banks, stating that replies to the questionnaire are being received and that the Committee will be prepared to meet with the Board regarding the subject of non-cash items any time after the tenth of December.

After discussion, the Governor was requested to acknowledge the above letter advising that the Board in due course will fix the date for the meeting.

Bond of Mr. John Perrin, Federal Reserve Agent at San Francisco, in the amount of \$100,000.

Approved.

Letter dated November 25th from the Governor of the Federal Reserve Bank of Kansas City, advising that he has been requested to act as a director of the St. Joseph and Grand Island Railroad and stating that while he believes it will be consistent for him to accept the appointment and would like to accept, he does not wish to do so unless the Federal Reserve Board approves.

After discussion, upon motion by Mr. James, it was voted that the Federal Reserve Board should interpose no objection to Governor Bailey's acting as director of the railroad in question.

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Memorandum dated November 27th from the Assistant Secretary, recommending that Henry McDowell, Chief Messenger, be granted six days' additional sick leave with pay.

Approved.

Telegram dated November 27th from the Chairman of the Board of Directors of the Federal Reserve Bank of Richmond, referring to the action of the Board in opening to all interested parties the hearing on the question of the establishment of a branch of that bank to serve the southwestern portion of the district, scheduled for December 9th, and suggesting because of this action that the hearing be postponed to a later date; together with telegraphic reply made on November 27th, on the initials of members of the Board, stating that the Board has no objection to the postponement of the hearing.

Upon motion, the postponement was formally approved.

Memorandum dated November 25th from the Division of Examination, with reference to telegram dated November 24th from the Federal Reserve Agent at San Francisco, advising that the Bank of Southern Utah, Cedar City, Utah and the Iron Commercial Savings Bank of Cedar City, both member banks, on November 23rd consolidated under the name of Bank of Southern Utah; the memorandum calling attention to the fact that this action is a technical violation of the Board's Regulations, and recommending that the Federal Reserve Agent be requested to so advise the bank and obtain from them an application for the Board's approval.

Upon motion, the recommendation was approved.

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Report of Committee on Examinations on letter dated November 24th from the Assistant Federal Reserve Agent at Cleveland, recommending approval of an application of the Commerce-Guardian Trust and Savings Bank, Toledo, Ohio for permission to establish a branch on Star Avenue at the head of Main Street, East Toledo; the Committee also recommending approval.

Approved.

Report of Committee on Examinations on letter dated November 23rd from the Federal Reserve Agent at New York, transmitting and recommending approval of an application of the Central Mercantile Bank of New York for permission to establish a branch at 139-141 Varick Street, New York City; the Committee also recommending approval.

Approved.

Letter dated November 27th from the Deputy Governor of the Federal Reserve Bank of New York, submitting a schedule of the commissions to be charged to foreign correspondent banks for the purchase of bills and short term United States government securities on and after January 1, 1926.

Noted.

Drafts of replies to letters dated October 27th and November 2nd from Professor H. Parker Willis of Columbia University, requesting certain information with respect to state bank membership in the Federal Reserve System, and the bank examination departments of the Federal Reserve banks, respectively.

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Upon motion, the proposed replies were approved.

Letter dated November 24th from the Federal Reserve Agent at Richmond, advising of the resignation of Mr. J. M. Strong, Examiner in his Department, effective November 21, 1925.

Noted.

Report of Committee on Examinations on memorandum dated November 24th from the Comptroller of the Currency, recommending approval of an application of the Waxahachie National Bank, Waxahachie, Texas, for permission to reduce its capital stock from \$300,000 to \$200,000 on condition that all funds made available by the reduction remain in the bank to be used to eliminate losses and undesirable assets; the Committee also recommending approval.

Approved.

Report of Committee on Examinations on memorandum dated November 27th from the Acting Comptroller of the Currency, with reference to the application of The First National Bank of Mason, Illinois for permission to reduce its capital stock from \$50,000 to \$25,000; the Committee recommending approval of the suggestion of the Acting Comptroller that the bank be permitted to reduce its capital from \$50,000 to \$35,000, and advised that its surplus may then be reduced from \$25,000 to \$10,000.

Approved.

Memorandum dated October 31st from the Chief of the Division of Bank Operations, with reference to the proposed accounting procedure by the Federal Reserve Bank of Cleveland, in connection with the leasing of

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the land owned in Cincinnati to the Cincinnati Chamber of Commerce and the purchase of equipment for the branch bank quarters which are to be provided in the building to be constructed on the land by the Chamber of Commerce.

Ordered circulated.

The Secretary then presented letters from the Secretaries of the Governors' and Federal Reserve Agents' Conferences transmitting minutes of action taken by the respective Conferences at their recent meetings.

The Secretary reported that the Stenographer's report of these Conferences had not yet been received and stated upon its receipt the various recommendations of the Conferences would be referred to the appropriate Committees of the Board.

Letter dated November 23rd from the Federal Reserve Agent at Atlanta, advising that no action had been taken by the Peoples Bank and Trust Company, Bell Buckle, Tennessee, in connection with the continuation of its membership; the Executive Committee of the Board on October 23rd having voted that resolutions for the continuation of membership, in the form approved by the Board on August 26th, should be adopted by the bank within 30 days, which period expired on November 23rd.

Upon motion, it was voted that the above matter should be referred to the Law Committee for recommendation as to what further action should be taken by the Board.

The Governor then presented the matter ordered circulated at the meeting on November 20th, namely, memoranda dated November 18th from General

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Counsel and Assistant Counsel on the question whether eggs and dressed poultry when shipped in refrigerator cars may be considered non-perishable staple agricultural products within the meaning of Section 13; Counsel stating that after consultation with officials of the Department of Agriculture they have carefully reconsidered the question and have reached the conclusion that if the Board desires to take a liberal view of this question it may rule that eggs and dressed poultry are non-perishable agricultural staples when packed and shipped under certain conditions specified.

After discussion, Mr. Hamlin moved that the Board adopt the opinion that eggs and dressed poultry shall be considered non-perishable in accordance with Counsel's memoranda.

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

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

The Secretary then referred to the Conference had by the Board this morning with Mr. John S. Drum, President of the Mercantile Trust Company, San Francisco, during which he requested that the Board reconsider its previous action in disapproving that bank's application for permission to take over the Bank of Burlingame, Cal. and to establish branches at that point and that the Board also approve the bank's application to take over the Bank of Palo Alto, Cal. and to establish a branch in its premises,

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the latter application not having been forwarded to the Board by the Federal Reserve Agent at San Francisco in view of the disapproval of the Burlingame application, but all stock in these institutions being owned by the Mercantile Trust Company through its affiliated securities company.

Upon motion, it was voted to refer the above matter to the Committee on Examinations for report.

REPORTS OF STANDING COMMITTEES:

Dated, November 30th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Approved.

Dated, November 30th, Recommending approval of the application of Mr. J. W. Wakefield for permission to serve at the same time as officer of the American National Bank of Nashville, Tenn. and as director of the First National Bank of Springfield, Tenn.

Approved.

Dated, November 24th, Recommending approval of the application of Mr. A. C. Robinson for permission to serve at the same time as director of the First National Bank of Pittsburgh, as director of the Peoples Savings and Trust Company and as director of the Dollar Savings and Trust Company, all of Pittsburgh, Pa.

Approved.

Dated, November 24th, Recommending approval of the application of Mr. J. T. McVay for permission to serve at the same time as director and officer of the Metropolitan National Bank of Seattle, Wash., as director of the First National Bank of Cosmopolis, Wash. and as director of the Canal Bank of Ballard of Seattle, Washington.

Approved.

Dated, November 24th, Recommending approval of the application of Mr. R. C. Wilson for permission to serve at the same time as officer of the National Copper Bank of Salt Lake City, Utah and as director of the First National Bank of Emmett, Idaho.

Approved.

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REPORTS OF STANDING COMMITTEES:

Dated, November 27th, Recommending approval of the application of Mr. Malcolm Crowe for permission to serve at the same time as director and officer of the National City Bank of Los Angeles, and as director of the First National Bank of Compton, Cal.

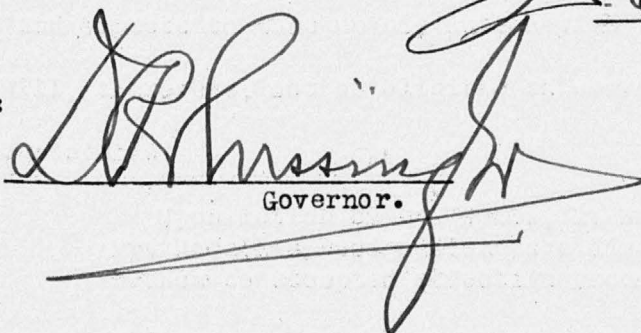
Approved.

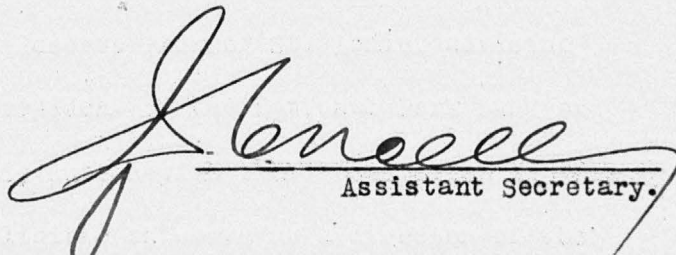
Dated, November 27th, Recommending approval of the application of Mr. Charles A. Stone for permission to serve at the same time as director of the First National Bank of Boston, Mass., as director of the Exchange National Bank of Tampa, Fla. and as director of the International Acceptance Bank of New York City.

Approved.

The meeting adjourned at 3:40 p.m.

Approved:


Governor.


Assistant Secretary.