

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, January 12, 1926, at 11:30 a.m.

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

Bond of Mr. A. M. McAdams, Assistant Federal Reserve Agent at Kansas City, in the amount of \$50,000.

Approved.

Letter dated January 7th from the Chairman of the Federal Reserve Bank of San Francisco, advising of the reelection of Mr. Henry S. McKee as member of the Federal Advisory Council from the 12th Federal Reserve District for the year 1926.

Noted.

Letter dated January 7th from the Chairman of the Federal Reserve Bank of San Francisco, advising of officers appointed to serve at the head office and branches of that bank during the year 1926, including the appointment of Mr. D. L. Davis as Managing Director of the Spokane Branch, and Mr. R. B. West as Managing Director of the Portland Branch.

Noted.

Letter dated January 7th from the Chairman of the Federal Reserve Bank of San Francisco, advising of members of the Executive Committee of the bank appointed to serve during the year 1926.

Noted.

Letter dated January 7th from the Chairman of the Federal Reserve Bank of San Francisco, advising of the reappointment of Mr. Allan Sproul

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as Secretary of the Board of Directors of the Bank for the year 1926.

Noted.

Letter dated January 6th from the Federal Reserve Agent at San Francisco, advising that the name of Moneta Avenue, Los Angeles, has been changed to South Broadway and that consequently the address of the branch of the Security Trust and Savings Bank formerly operated at 7124 Moneta Avenue will hereafter be known as 7124 South Broadway.

Noted.

Report of Committee on Salaries and Expenditures on letter dated January 8th from the Chairman of the Federal Reserve Bank of St. Louis, requesting approval of the action of the Executive Committee of that bank in voting to extend leave of absence, on account of illness, of not to exceed three months, with full pay, to Mr. J. A. Brown, an employee of the bank's money department; the Committee recommending approval.

Approved.

Memorandum from Counsel dated January 8th with reference to the legality of the action of the Federal Reserve Bank of Cleveland, reported by the Secretary of the bank in a letter dated December 30th, in continuing payment of salary of D. C. Wills, formerly Federal Reserve Agent and Chairman of the Board of Directors of that bank, from the date of his death, October 22nd, to December 31, 1925; Counsel stating that there is no legal authority for the payment by the Federal Reserve bank of any part of Mr. Wills' salary subsequent to the date of his death, and suggesting several possible courses of action by the Board.

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After discussion, Mr. Miller moved that the Governor prepare a letter regarding this matter to the Federal Reserve Bank of Cleveland for submission at the next meeting of the Board.

Carried.

Letter dated January 9th from the Chairman of the Federal Reserve Bank of Dallas, requesting the designation as Special Examiner of Mr. I. F. Betts, Chief Clerk of the Examination Department of the bank, and inquiring whether it is necessary to obtain the Board's specific approval in each case where they desire to use employees attached to other departments of the bank in the capacity of clerical assistants to their regular examiners in conducting an examination or credit investigation of a member bank.

Upon motion, it was voted to approve the designation of Mr. Betts as a Special Examiner and to advise the Chairman that Federal Reserve bank Examiners and Assistant Examiners may have the assistance of clerical employees who need not be designated or titled Examiners.

Letter dated January 6th from the Chairman of the Federal Reserve Bank of San Francisco, advising that in the recent election of a Class "B" Director of that bank, certain member banks listed as nominating one candidate were approached by other member banks who sought to prevail upon them to vote for a candidate different from the one they had nominated; the Chairman suggesting that it would be distinctly desirable to eliminate the provision of the Federal Reserve Act which requires the Chairman of a Federal Reserve bank to make public the names of member banks nominating candidates in such elections.

Upon motion, the above letter was referred to the Governor.



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Letters dated January 9th from the Federal Reserve Agent at Atlanta, enclosing affidavit of service upon the Peoples Bank and Trust Company, Bell Buckle, Tenn. of the Board's letter of December 31st, advising that bank of a hearing to be held on January 25th at which it is requested to appear to show cause why it should not be required to surrender stock in the Federal Reserve Bank of Atlanta and to forfeit all rights and privileges of membership in the Federal Reserve System; the Chairman also transmitting copy of a letter from the Peoples Bank and Trust Company advising that they will surrender their stock at any time and in any manner required without question.

Noted, and referred to Counsel for the preparation of the necessary resolutions to be adopted by the Board at the meeting on January 25th.

Letter dated January 4th addressed to the Secretary by Mr. H. Parker Willis, requesting a statement showing the number of national banks to which the Board has granted fiduciary powers which have failed; the Secretary suggested that Mr. Willis be furnished with a list of all national banks granted fiduciary powers with an indication of those that are no longer in the National Banking System, which he could use as a basis for inquiry of the Comptroller of the Currency as to the reasons responsible for the banks leaving the National System.

Upon motion by Mr. Platt, it was voted to approve the suggestion of the Secretary, Governor Crissinger voting "no".

The Secretary then presented another letter addressed to him by Mr. Willis under date of January 5th, advising that all Federal

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Reserve banks except San Francisco have complied with a request made by him that they check certain information which he has assembled regarding chain banking in the various districts and that the Federal Reserve Agent at San Francisco has suggested that his request should be transmitted through the Federal Reserve Board; Mr. Willis requesting that the Secretary obtain from the Board the necessary permission and authorize Mr. Perrin by telegram to give him an opinion on the chain banking question.

After discussion, Mr. Miller moved that Mr. Perrin be requested to furnish Mr. Willis information which will enable him to check the data which he has assembled without, however, expressing any opinion on the question of chain banking.

Carried, Messrs. Crissinger and James voting "no".

The Secretary also presented the matter on which action was deferred at the meeting on December 29th, namely, letter addressed to him by Mr. Willis under date of December 22nd, requesting information as to the amount of rediscounts and advances made by Federal Reserve banks by years since and including 1915, for all member banks grouped according to resources into seven classifications listed.

After discussion, Mr. Hamlin moved that the Secretary ascertain and report to the Board the approximate cost of compiling this information at the Federal Reserve Banks.

Carried.

At the suggestion of Mr. Hamlin, Chairman of the Committee on Branches,

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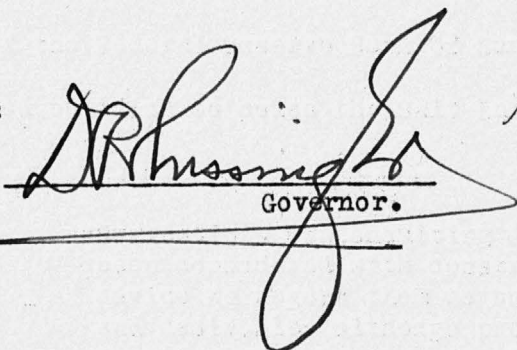
the Secretary was instructed to employ a stenographer to make a transcript of proceedings at the hearing before the Board on January 15th, regarding the establishment of a branch to serve the southwestern portion of the 5th Federal Reserve District.

The minutes of the meeting of the Federal Reserve Board held on January 5th were then read and approved, as amended.

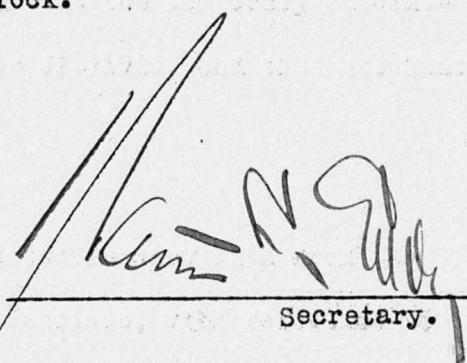
The reading of the minutes of the meetings of the Federal Reserve Board held on January 7th and 11th was dispensed with.

The meeting adjourned at one o'clock.

Approved:



Governor.



Secretary.