Upon call of the Governor, a special meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, January 13, 1926 at 2:30 p.m.

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

Mr. Wyatt, General Counsel, entered the meeting and discussed with the Board a memorandum dated January 13th, with reference to the case brought against the Federal Reserve Bank of San Francisco by the Idaho Grimm Alfalfa Seed Growers Association. He stated that verdict in favor of the plaintiff had been rendered in the United States District Court, and had been upheld in the United States Circuit Court of Appeals and called attention to the fact that his office had not been advised of the case until after decision had been rendered in the Appellate Court.

After discussion, Mr. Hamlin moved that the memorandum be referred to the Law Committee and that Counsel prepare for submission to the Board a letter to all Federal Reserve banks requesting prompt advice to the Board's General Counsel of all suits brought against the banks.

Carried.

The Governor stated that special order business for this meeting would be consideration of the schedules of rates of discount and purchase in effect at the various Federal Reserve banks and the following motion submitted by Mr. Miller at the meeting on January 11th:

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"That the minimum rates for the purchase of bankers acceptances in effect at all Federal Reserve banks be advanced to 3 1/4%".

After discussion, Mr. Miller's motion was put by the Chair and lost, Messrs. Platt and Miller voting "aye".

Telegram dated January 7th from the Federal Reserve Bank of New York, advising of its effective rates for purchases of bankers acceptances, as approved by the Board at its meeting on that date; the telegram also advising of the establishment of a rate of 4% for purchases of government securities, under agreement to resell.

Noted, with approval.

Telegram and letter dated January 6th from the Chairman of the Federal Reserve Bank of Philadelphia, advising of the bank's effective buying rates on bankers acceptances and requesting approval of an increase in the bank's minimum authorized buying rate to 3%.

Noted, with approval.

Telegram and letter dated January 8th from the Secretary of the Federal Reserve Bank of Cleveland, transmitting schedule of rates of discount and purchase in effect at that bank.

Noted, with approval.

Telegram dated January 8th from the Chairman of the Federal Reserve Bank of Atlanta, advising of rates of discount and purchase in effect at that bank.

Noted, with approval.

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Telegram and letter dated January 11th from the Federal Reserve Agent at Chicago, with regard to rates of discount and purchase in effect at that bank.

Noted, with approval.

Letter dated January 11th from the Federal Reserve Agent at Chicago, referring to the Board's letter of January 5, 1926, (X-4493) on the subject "Procedure at Reserve Banks on Rates"; the Federal Reserve Agent stating that the Board's letter refers only to consideration of rates at directors' meetings and inquiring whether the procedure outlined should be followed also at meetings of the Executive Committee of the bank in view of the fact that the Board of Directors meets but once a month.

> Upon motion, it was voted to advise the Federal Reserve Agent that he should inform the Board of changes in rates made by the Executive Committee as well as by the Board of Directors.

The Governor then reported on the matter referred to the Executive Committee at the meeting on January 11th, submitting a draft of reply to letter dated January 7th from Mr. John W. Barton, Chairman of the American Bankers Association Committee on Non-Cash Items, with reference to a hearing before the Board at which to present an analysis of the questionnaire on that subject sent out to member banks; the proposed reply stating that the question of non-cash collections by Federal Reserve banks was to have been settled on the basis of briefs submitted by the American Bankers' Association Committee and by a committee of Governors of Federal Reserve banks and that the Board sees no reason why there should be a hearing for the presentation

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of the analysis of the questionnaire referred to, and further, that if the American Bankers' Association Committee desires to furnish the Board with the analysis, it should forward same immediately and the Board will give it such consideration in connection with the consideration of the briefs filed, as the subject matter of the questionnaire may require.

After discussion, Mr. James moved in lieu of the above letter that the Board advise the American Bankers' Association Committee that a hearing on the subject of non-cash collections will be held on January 28th.

Mr. James' motion being put by the Chair was lost, the members voting as follows:

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

After further discussion, upon motion by Mr. Miller, it was voted to approve the above letter as amended, Messrs. Hamlin and James voting "no".

The Governor then presented draft of a letter to the Chairman of the Federal Reserve Bank of Cleveland, with reference to letter dated December 30th addressed to the Board by the Secretary of that bank, advising that the salary of D. C. Wills, deceased, "will be discontinued as of December 31, 1925"; the proposed reply pointing out that the Board can find no warrant of law which would permit the Federal Reserve Bank of Cleveland to make payment of salary beyond the date of Mr. Wills' death, and requesting him to send to the Board a transcript of the record of his bank showing the detailed action and vote taken authorizing the payment and the names of those voting on the proposition.

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Upon motion by Mr. Hamlin, the above letter was approved.

The minutes of the meetings of the Federal Reserve Board held on January 7th and 11th were then read and approved.

The minutes of the meeting of the Federal Reserve Board held on January 12th were read and approved as amended.

The Governor then referred to applications of the First National Bank and the Albuquerque National Bank, of Albuquerque, New Mexico, and the First National Bank of Belen, New Mexico, for transfer from the 11th to the 10th Federal Reserve District.

After discussion, Mr. Platt moved that the Board advise the Federal Reserve Banks of Dallas and Kansas City that it is disposed to grant the petition of the banks for transfer from the 11th to the 10th Federal Reserve District, but would like to hear from the Federal Reserve banks as to whether or not there is any objection on their part to the Board taking such action.

Carried.

The meeting adjourned at 4:30 p.m.

Approved:

Governor.

Secretary.

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