

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, March 9, 1926 at 10:40 a.m.

PRESENT: Governor Crissinger
Mr. Platt
Mr. Hamlin
Mr. Miller
Mr. Cunningham
Mr. McIntosh
Mr. Noell, Asst. Secretary
Mr. McClelland, Asst. Secretary

The minutes of the meeting of the Federal Reserve Board held on March 5th were read and approved.

The minutes of the meeting of the Executive Committee held on March 5th were read and upon motion the actions recorded therein were ratified.

The minutes of the meeting of the Federal Reserve Board held on March 8th were read and approved as amended.

The Governor presented a letter addressed to him by Mr. Miller advising of his desire to go abroad for a period of six weeks or two months, beginning some time the latter part of May or early in June, and requested that the other members of the Board endeavor to arrange absences during this period so as not to conflict with the conduct of the Board's regular business.

Mr. Cunningham stated that he expected to make a trip of about a month's duration through the West, but expected to be back in Washington by May 15th.

Memorandum from Counsel dated March 5th, with reference to the application of Mr. Taylor Allderdice for permission to serve at the same time as director of the Union National Bank and the Pennsylvania Trust Company, both of Pittsburgh, Pa.; Counsel stating that while there is, in his opinion, some competition between these institutions, he does not think this competition

3/9/26

-2-

should be termed "substantial" and accordingly concurs in the recommendation of the Federal Reserve Agent that the application be granted.

The above recommendation being concurred in by the Law Committee, it was voted to approve the application.

Memorandum from the Governor dated March 3rd, recommending that pending the selection of a director of the Division of Research and Statistics, Mr. E. A. Goldenweiser, who is now acting in that capacity, be given the title of Acting Director of the Division.

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

The Governor then brought up the following motion submitted by Mr. Miller at the meeting of the Executive Committee on March 5th - "that Washington be designated as the future regular meeting place of the Open Market Investment Committee, except when the Committee is authorized by the Board to meet elsewhere".

The above motion being put by the Chair, was unanimously carried.

Telegram dated March 5th from the Secretary of the Federal Reserve Bank of Cleveland, advising that the board of directors on that day made no change in their existing schedule of rates of discount and purchase.

Noted.

Telegram dated March 8th from the Chairman of the Federal Reserve Bank of Dallas, advising that the board of directors on that day made no change in the schedule of rates of discount and purchase in effect at that bank.

Noted.

3/9/26

-3-

Letter dated March 6th from the Secretary of the Federal Reserve Bank of Cleveland, advising that the board of directors at their meeting on March 5th accepted the resignation of Mr. L. W. Manning, Managing Director of the Cincinnati Branch, effective March 31, 1926, and appointed Mr. C. F. McCombs to succeed him for the period ending December 31, 1926, at a salary of \$8,400 per annum, subject to the approval of the Board.

Noted, and upon motion the salary fixed for Mr. McCombs was approved.

Letter dated March 6th from the Assistant Federal Reserve Agent at Cleveland, advising that they have received from the Union Trust Company, Cleveland, Ohio, a request for an extension of time for the opening of the branch at Altoona Avenue and Pearl Road, Cleveland, the establishment of which was approved by the Board on November 17th.

Upon motion, it was voted to grant an extension of six months from May 17th.

Letter dated February 26th from Messrs. Shearman and Sterling, attorneys for the National City Bank of New York, advising that the board of directors of the bank on February 23, 1926, authorized the officers of the bank to re-transfer the main office of its Italian Branch from the City of Milan to the City of Genoa, the original location of the main office of the branch under the authorization granted by the Board on May 25, 1916, transferred to the City of Milan under an order dated August 14, 1924; the letter stating that due to unsettled conditions in Italy, the management of the bank believes that while present conditions warrant a retransferring of the main office to Genoa, the situation may at any time, and from time to time,

3/9/26

-4-

change, making transfers in the location of the main office of the Italian branch advisable; the letter also stating that changes have heretofore been made only on formal order of the Board and inquiring if some simple method would be permissible which would relieve the Board of having to pass upon frequent applications and at the same time give to the bank some latitude of discretion as to where the main office of its Italian branch should at any time be located.

After discussion, upon motion by Mr. Miller it was voted to give tentative approval to the re-transferring of the main office of the Italian branch of the National City Bank from the City of Milan to the City of Genoa, subject to the filing of formal application, and to refer to the Law Committee the question of the procedure in connection with possible future changes.

Report of the Law Committee on the matter referred to it at the meeting on February 2nd, namely, letter dated January 28th from the Governor of the Federal Reserve Bank of Dallas, renewing his suggestion that the Federal Reserve System retain a consulting attorney to serve as a clearing house for legal information among the various banks, and to be available in the event a particular Federal reserve bank desires to call upon him; the Law Committee recommending approval of a suggestion of the Board's Counsel that a copy of Governor Talley's letter be sent to each Federal reserve bank and that the subject thereof be placed on the program for discussion at the forthcoming Governors' Conference.

Upon motion, the above recommendation was approved.

Letter dated March 5th from the Chairman of the Federal Reserve Bank of New York, transmitting copy of a circular letter issued by the Credit

3/9/26

-5-

Utility Corporation of New York City in which it is stated that the Federal Reserve Board has described their System as "an intensified part of our commercial banking system".

The Secretary stated that the quotation used by the Corporation was taken from the Board's article on the general subject of "Finance Companies", published in the Federal Reserve Bulletin of January, 1923.

Upon motion, the above letter was referred to Counsel.

Letter dated March 5th from the Chairman of the Federal Reserve Bank of New York, transmitting a list of all State member banks to which the Superintendent of Banks of the State has granted permission to exercise fiduciary powers.

Noted.

Memorandum from Counsel submitting draft of a reply to a letter from the Chairman of the Committee on Banking and Currency of the Senate, requesting the views of the Board on a suggestion that the Revised Statutes be so amended as to take away the right of the United States to a priority in its claims against insolvent state banks in view of the fact that no such preference exists as against insolvent national banks; the proposed letter discussing the amendment suggested and stating that the Federal Reserve Board is in agreement that appropriate legislation should be enacted to put insolvent national banks and insolvent state banks upon an equal basis as respects the priority of claims of the United States.

After discussion, during which Mr. Hamlin, Chairman of the Law Committee, suggested certain changes in the proposed letter, it was referred back to the Law Committee for revision.

3/9/26

-6-

Memorandum dated March 5th, addressed to the Secretary of the Board by the Undersecretary of the Treasury, submitting photostat copies of an opinion of the Attorney General of the United States rendered under date of March 4th, upon the question whether a trustee, officer, or employee of a mutual savings bank is eligible for appointment as a Class "B" or Class "C" Director of a Federal reserve bank; the Attorney General stating that mutual savings banks are banks within the meaning of that section of the Federal Reserve Act prohibiting Directors of Class "B" and Class "C" from being officers, directors or employees of "any bank".

Upon motion, it was directed that copies of the opinion of the Attorney General should be forwarded to all Federal reserve banks for their information, with special advice to the Federal Reserve Bank of Boston, at which officers of mutual savings banks have been serving as Class "B" and "C" Directors, pending receipt from the Attorney General of the above opinion as to their eligibility.

The Governor then presented the matter ordered circulated at the meeting on March 8th, namely, memorandum on the subject of the relation of the call loan market to the Federal Reserve System, prepared by Mr. Miller in accordance with the request of the Governor at the meeting on March 3rd, and proposed for incorporation in the Board's Annual Report for the year 1925.

After discussion, upon motion by Mr. Miller, it was voted that the question of the inclusion of the above memorandum in the report be referred to the Governor and Vice Governor with power.

Letter dated March 5th from the Comptroller of the Currency, recommending increases in the salaries of national bank examiners as follows:

3/9/26

<u>Name</u>	<u>From</u>	<u>To</u>
J. W. Pole	\$15,000	\$16,000
L. K. Roberts	13,000	15,000
Jno. S. Wood	13,000	14,000
S. L. Newnham	13,000	14,000
T. E. Harris	12,000	13,000
B. K. Patterson	10,000	11,000
E. D. Robb	9,500	10,000
E. H. Gough	8,500	9,500
J. L. Proctor	7,000	8,000
W. W. McBryde	6,500	7,500
W. P. Folger	7,500	8,500
A. M. Stewart	3,600	3,900
C. F. Wilson	3,600	3,900

Approved.

REPORTS OF STANDING COMMITTEES:

Dated, March 5th, 8th, Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date.

Approved.

Dated, March 4th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

Approved.

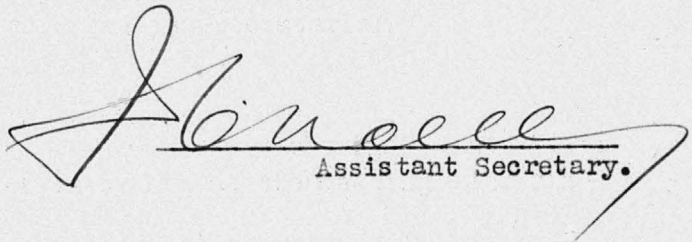
Dated, March 4th, Recommending action on application for fiduciary powers as set forth in the Auxiliary Minute Book of this date.

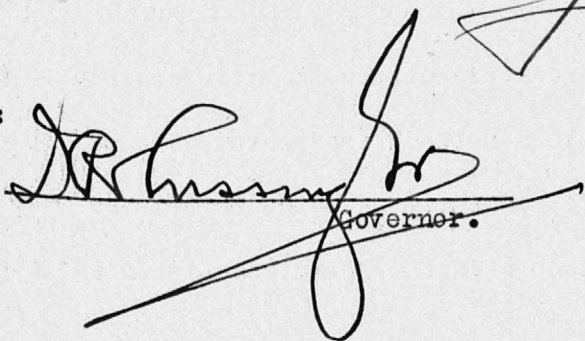
Refused.

Dated, March 5th, Recommending approval of the application of Mr. Ellery S. James for permission to serve at the same time as partner of the firm of Brown Brothers & Co., private bankers, and as director of the National Shawmut Bank, both of Boston, Mass.

Approved.

The meeting adjourned at 11:30 a.m.


Assistant Secretary.

Approved: 
Governor.