

At a regular meeting of the Federal Reserve Board held in the office of the Board on Tuesday, November 24, 1914, at 3:00 p. m.

PRESENT:

Mr. Hamlin	Mr. Warburg
Mr. Delano	Mr. Harding
Mr. Williams	Mr. Miller.

The Governor of the Board presided and Mr. H. P. Willis acted as Secretary to the meeting.

The minutes of the preceding meetings were read and approved.

The Board took up the question of regulations governing the issue of Federal reserve notes, and after considering a tentative report on the subject presented by Mr. Miller, voted to refer the report back to the Committee of which Mr. Miller was Chairman with the suggestion that certain specific regulations be placed in the hands of the Counsel for report at the meeting of Wednesday, November 25th.

There being no replies to telegrams regarding reserve conditions in the several districts, the report of the committee on salaries and compensation of officers and directors was taken up for consideration. After modification in various details the report of the committee was adopted ^{by the Board} in the following form:

Washington, D. C.,
November 24, 1914.

To the Federal Reserve Board,

Gentlemen:

Your Committee which has had before it the consideration of salaries of officers of the Federal Reserve Banks begs to make the following report:

The salaries proposed by Boston are as follows:

Alfred L. Aiken, Governor.....	\$15,000
Frederick H. Curtiss, Federal Reserve Agent.....	10,000

Your Committee recommends their approval.

The salaries proposed by New York are as follows:

Benjamin Strong, jr., Governor.....	\$30,000
Pierre Jay, Federal Reserve Agent.....	16,000

Your Committee recommends their approval.

The salaries proposed by Philadelphia are as follows:

Charles J. Rhoads, Governor.....	\$20,000
Richard L. Austin, Federal Reserve Agent.....	10,000

Your Committee recommends their approval.

The salaries proposed by Cleveland are as follows:

E. R. Fancher, Governor.....	\$16,000
D. C. Willis, Federal Reserve Agent.....	10,000

Your Committee recommends their approval.

The salaries proposed by Richmond are as follows:

George J. Seay, Governor.....	\$15,000
(includes salary as member of Advisory Council)	
Wm. Ingle, Federal Reserve Agent.....	10,000
James A. Moncure, Deputy Federal Reserve Agent..	3,000
Cashier.....	2,000
Auditor.....	2,500

Your Committee is unwilling to recommend these salaries. We think the salary of the Governor should not exceed, to start with, \$10,000. per year.

We do not approve the salary proposed for Mr. A. A. Moncure, Deputy Reserve Agent. Mr. Moncure is a business man who does not give a great deal of his time to the bank and we think he should be paid a fair per diem - say \$25 - for the actual time that he serves as Acting Federal Reserve Agent, plus such directors fees as he may receive.

The salaries proposed by Atlanta are as follows:

Joseph A. McCord, Governor.....	\$15,000
M. B. Wellborn, Federal Reserve Agent.....	6,000

Your Committee is of opinion that the salary proposed for the Governor of the Board is excessive and should not exceed \$10,000 a year. We approve the salary of the Federal Reserve Agent.

The salaries proposed by Chicago are as follows:

James B. McDougal, Governor.....	\$20,000
C. R. McKay, Vice-Governor.....	10,000
C. H. Bosworth, Federal Reserve Agent.....	10,000
W. L. McLallen, Deputy Reserve Agent.....	6,000
Cashier.....	4,000

Your Committee recommends their approval.

The salaries proposed by St. Louis are as follows:

Rolla Wells, Governor.....	\$25,000
William McC. Martin, Federal Reserve Agent,	10,000
William W. Hoxton, Deputy Governor and Secretary,	7,500
C. E. French, Cashier.....	10,000

In the opinion of your Committee, the salary roll proposed is high in comparison to most of the other Districts - possibly this is justified, but it should have consideration.

The salaries proposed by Minneapolis are as follows:

Theodore Wold, Governor.....	\$12,000
John H. Rich, Federal Reserve Agent.....	7,500
P. M. Kerst, Deputy Reserve Agent.....	8,000
(Entire salary paid as Bank Examiner)	

Your Committee recommends their approval.

The salaries proposed by Kansas City are as follows:

Charles M. Sawyer, Governor,.....No recommendation.
J. Z. Miller, Federal Reserve Agent,.....\$7,500

In respect to the salary of the Governor, no recommendation has been made.

The salaries proposed by Dallas are as follows:

Oscar Wells, Governor,.....\$12,000
R. L. Van Zandt, Deputy Governor,..... 6,000
E. O. Tenison, Federal Reserve Agent..... 6,000
W. F. McCaleb, Deputy Federal Reserve Agent... 4,000
J. W. Hoopes, Cashier and Secretary,..... 5,000

Your Committee recommends their approval.

The salaries proposed by San Francisco are as follows:

Archibald Kains, Governor,.....No recommendation.
John Perrin, Federal Reserve Agent,.....\$12,000

While a salary has not been fixed for the Governor, we understand \$15,000 is talked of. This we are ready to approve and Mr. Perrin's salary, originally fixed at \$10,000, has been changed to \$12,000.

In regard to the compensation paid directors, your Committee recommends the following:

That the directors be allowed a fee of \$20 for attending a directors' meeting, or \$10 for attending meetings of the executive committee. In addition to this, directors living more than fifty miles from the Reserve bank shall be allowed a per diem fee of \$10 for every day's absence from home necessarily involved in such attendance, plus actual necessary traveling expenses.

Respectfully submitted.

F.A. DELANO.
P. M. WARBURG.
W. P. G. HARDING.

Committee.

On motion of Mr. Warburg it was voted that the salary list of Philadelphia and New York be communicated to the bank of St. Louis with a diplomatic letter suggesting that the proposed salaries of the St. Louis Bank are not as low as those elsewhere.

The Governor of the Board, who had been named a committee of one to consider the business pending before the Counsel's office reported the order in which matters now in suspense should be dealt with. On motion this report was adopted. The Governor's memorandum in the form in which adopted was as follows:

Memorandum of Matters Pending in Office of
Counsel to Federal Reserve Board.

1. Preparation of opinion on right of Federal Reserve Board to fix discount rates irrespective of state laws. The necessary cases have been digested and opinion is in course of preparation.
2. Regulation governing conditions under which national banks may act as trustee, etc. These regulations have been submitted to the Board but have not been acted on.
3. Regulations and by-laws governing conditions under which state banks may become members of the Federal reserve system, involving primarily powers which may be exercised by state banks as members. These by-laws have been submitted to the Board but have not been acted on.
4. Digest and analysis of applications of State banks for membership in the Federal reserve system amounting in the aggregate to between 75 and 100. These applications have been examined and tentatively sub-

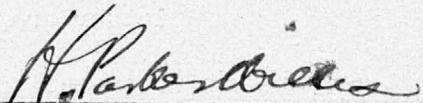
mitted to the Committee and will be resubmitted with additional data. It is important that the Board should determine whether the applications now in the office should be sent to the various Federal Reserve Agents for recommendations before being acted upon by the Board.

5. Regulations relating to issue and redemption of Federal reserve notes involving opinion as to the necessity for depositing such notes in the United States Treasury.
6. Letter and resolution relating to application of the Commercial National Bank of Washington to establish a branch at Cristobal, Canal Zone.
7. Opinion on paragraph 2, section 8, of the Clayton Anti-Trust Law relating to interlocking directors.
8. Opinion on whether Federal Reserve Agents can use franked envelopes, and also on subject of government express and telegraph rates.
9. Opinion on method of computation of reserve.
10. Opinion on various questions submitted involving interpretation of Section 22 of the Federal Reserve Act. Arrangements have been made for conference with Assistant Attorney General Warren at an early date on this subject.
11. Opinion on the salaries and method of payment of some of bank examiners. A literal interpretation of the law relating to the assessment on national banks for payment of bank examiners' expenses, such assessment to be in proportion to their resources, will result in an assessment equal to double the amount heretofore paid by banks in large and in a reduction of the amount heretofore paid by banks in non-reserve cities.
12. Preparation of form of application for additional stock in Federal Reserve banks on account of increase in capital or surplus of member banks. This form has been prepared and is in the hands of the committee for revision.
13. Circular in relation to bonds of Federal reserve agents, deputy Federal reserve agents, and officers and employees of Federal reserve banks.

14. Examination and digest of tentative bonds submitted by various agents.
15. Opinion on subject of when the Comptroller's salary begins as member of the Federal Reserve Board.
16. Opinion on right of Federal reserve banks to accept for rediscount certain cotton loans.
17. Analysis of state laws relating to banking and currency.
18. Opinion on status of Deputy Federal Reserve Agents.
19. Preparation of letter for submission to the Attorney General asking opinion on certain phases of the Federal Reserve Act in relation to powers of the Board to restrict state banks as members.
20. Preparation of regulations relating to repayment of stock subscription to banks in liquidation, or banks which have decreased their capital stock or surplus.
21. Preparation of sundry letters in response to questions raised which have already been determined by the Federal Reserve Board.

On motion it was voted that the Governor refer to Counsel the question whether Federal reserve banks are or are not subject to taxation under the new internal revenue law.

On motion the Board adjourned to meet at 11:00 a. m. on Wednesday, November 25th.



Secretary.

APPROVED:



Chairman.