A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, December 12th at 11:20 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on December 11th were read and approved.

Governor Norris of the Federal Reserve Bank of Philadelphia then entered the room and presented to the Board the application of the directors of the bank for authority to purchase for $400,000 property on Tenth Street adjacent to the bank's building, known as Dooner's Hotel. Governor Norris discussed with the members of the Board the value of the property being considered and the plans of the directors of the bank to erect an annex on the property, if acquired, stating among other things that the contract, if entered into, would provide not for a straight sale at $400,000, but for ground rent payments of $20,000 a year running for a term of twenty years.

Upon motion by Mr. Hamlin, the Board voted that it would interpose no objection to the purchase of the property at a price deemed reasonable by the board of directors of the Philadelphia bank.

Governor Norris was advised that the Board did not regard favorably the ground rent feature of the proposed contract and that he should negotiate with the owner of the property for a straight sale.

Governor Norris then stated that he had with him the recommendations of the board of directors of the Philadelphia bank for year end adjustments.
in salaries of officers and employees of the bank and was requested to
discuss this matter with the members of the Board's Committee on Sal-
aries and Expenditures who would report thereon to the Board.

At this point, Governor Norris left the meeting.

Governor Crissinger then stated that the special order business
for today's meeting was the review of all permissions granted by the
Board under the Kern Amendment to the Clayton Act and on request of Mr.
Hamlin, Chairman of the Law Committee, this matter was ordered held over
for tomorrow's meeting.

The Committee on Examinations reported on the matter referred
to it at the meeting on December 5th, namely, letter dated December 1st
from the Comptroller of the Currency recommending approval of the applica-
tion of the Billings National Bank of Billings, Oklahoma, for permission
to reduce its capital stock from $30,000 to $25,000; the Committee recom-
mending approval of the application provided the amount of the reduction
is applied to liquidate estimated losses and doubtful paper.

Upon motion, the report of the Committee
on Examinations was approved.

Letter dated December 10th, from the Secretary of the Federal
Reserve Bank of Chicago, advising of the re-election of Mr. E. L. Johnson
as Class "A" director of the Bank and Mr. Robert Mueller as Class "B" direc-
tor, both for terms expiring December 31, 1926.

Noted.
Letter dated December 4th, from the Chairman of the Federal Reserve Bank of St. Louis, advising of the re-election of Mr. John G. Lonsdale as Class "A" director of the bank and Mr. LeRoy Percy as Class "B" director, both for terms expiring December 31, 1926.

Noted.

Letter dated December 5th, from the Chairman of the Federal Reserve Bank of San Francisco, advising of the election of Mr. J. S. Macdonnell, as Class "A" director of the bank and the re-election of Mr. A. B. C. Dohrmann as Class "B" director, both for terms expiring December 31, 1926.

Noted.

Letter dated December 10th, from Mr. W. A. Heath, accepting appointment as Chairman of the Federal Reserve Bank of Chicago and requesting a leave of absence after the first of the year.

Upon motion, it was voted that Mr. Heath should be granted the leave of absence when applied for.

Letter dated December 10th, from the Federal Reserve Agent at Atlanta transmitting and recommending approval of the application of the Farmers Bank of Pelham, Georgia, to establish a branch at Sale City, Georgia.

Referred to Committee on Examinations.

The special committee appointed at the meeting on December 6th reported on its investigation of the origin of the Washington despatch appearing in the New York Journal of Commerce under date of December 4th, with reference to the meeting of the Board with the Open Market Investment Committee for the Federal Reserve System, held on Monday, December 3rd.
The report was read and accepted, and upon motion the special committee was discharged.

The Governor presented a letter addressed to him by Governor Strong of the Federal Reserve Bank of New York, requesting to be advised whether the Board would object to his accepting a membership on the Advisory Board of citizens in the state of New York, having charge of the organization of the Harding Memorial Association.

Upon motion by Mr. James, the Board voted to interpose no objection.

The Committee on Branches submitted a report on the matter referred to it at the meeting on December 6th, namely, the details of a plan providing for rotation in the terms of directors of branch Federal Reserve banks.

Upon motion, this report was ordered circulated and reposted for the meeting tomorrow.

The Governor presented a letter dated December 4th, from the Federal Reserve Agent at San Francisco, in reply to the letter ordered transmitted to him at the meeting on November 22nd, with regard to the recent report of his Assistant Federal Reserve Agent concerning the condition of the First National Bank of Parlier, California, and the desirability of its being taken over by the Bank of Italy.

Upon motion, Mr. Perrin's letter was ordered circulated.

The meeting adjourned at 1:00 o'clock.

Approved:

[Signature]

Governor.

[Signature]

Assistant Secretary.