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Upon call of the Governor, a meeting of the Federal Reserve Board was held in the Office of the Board on Saturday, January 12, 1924 at 11:45 a.m.

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

PRESENT ALSO BY INVITATION:
Mr. Geo. W. Norris, Governor, Federal Reserve Bank of Philadelphia.
Mr. R. L. Austin, Chairman, Federal Reserve Bank of Philadelphia.
Jos. Wayne, Jr.
Edwin S. Stuart, Directors, Federal Reserve Bank of Philadelphia.

Governor Norris stated that the committee of Philadelphia directors had requested this opportunity to appear before the Board in order that they might explain to the Board the reasons which actuated them in voting to increase the salaries of certain junior officers of the bank, namely, the assistant cashiers and the auditor, which increases had been disapproved by the Board. Governor Norris explained the duties of the officers in question and stated that in his opinion the salaries recommended were not out of line with those paid by commercial banks in Philadelphia for officers whose responsibilities are similar.

Thereafter Directors Wayne and Stuart also urged the Board to approve the increases recommended.

The Governor then stated that the Board would take the matter under advisement, and the Philadelphia committee left the meeting.

The Governor then presented a telegram dated January 11th received from the Governor of the Federal Reserve Bank of Minneapolis, together with copy of a reply thereto, initialed by five members of the Board, which follow:

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"Sioux Falls National Bank, Sioux Falls, South Dakota found it necessary to close its doors this morning. I am afraid effect of the closing may be very far reaching and it may be necessary for us to lend a good deal of assistance through rediscounts in that territory. Mr. Gerry, our deputy governor is at Sioux Falls and wires me this morning to secure permission from Federal Reserve Board to use our own discretion in discounting for Member Banks paper originating in non member banks. Situation in my opinion may develop into a very critical one and prompt action upon our part may save a number of members that should be saved. If board can grant this permission to us our committee will assure you that we will only use it where absolutely necessary."

"Your wire date. You are authorized to use discretion asked for in discounting for member banks paper originating in non-member banks."

Upon motion by Mr. Hamlin, the telegram to Governor Young above quoted was formally approved.

Mr. James then stated his view that the Federal Reserve Bank of Minneapolis should have its attention called to the fact that the action above mentioned in no sense changes the Board's attitude in the matter of rediscounts for non-member banks, as set out in its letter of July 18, 1923 (X-3784).

Letter dated January 10th from the Federal Reserve Agent at Richmond quoting a resolution adopted by the Board of Directors of that Bank directing the salary committee of the Bank to proceed to Washington for the purpose of presenting to the Board the views of the Directors of the Bank with respect to its official personnel and the compensation of its officers, and requesting that the Board set a date for a hearing about two weeks hence.

The Secretary was instructed to inform the Federal Reserve Agent at Richmond that the Board will be glad to receive the committee on a date convenient to it.

The Board then ordered that Mr. Delano should be invited to attend the meeting with the Richmond Salary Committee.

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The meeting adjourned at 12:40 p.m.

J. Howell
Assistant Secretary

Approved:

W. H. King
Governor.