

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, January 15th, 1924, at 11:20 a.m.

- PRESENT: Vice Governor Platt
- Mr. Hamlin
- Mr. Miller
- Mr. James
- Mr. Cunningham
- Mr. Eddy, Secretary

The minutes of the meeting of the Federal Reserve Board held on January 10th were read and approved as amended.

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

Letter dated January 1st from the Comptroller of the Currency, requesting approval of an increase from \$5,000 to \$6,000 per annum in the salary of National Bank Examiner John L. Proctor.

Approved.

Memorandum dated January 12th from the Director of the Division of Research and Statistics, requesting authority to purchase two calculating machines for use in that Division to cost \$350 and \$255 each.

Approved.

Report of Committee on Salaries and Expenditures recommending approval of the action of the directors of the Federal Reserve Bank of Atlanta, as reported to the Board in letter from the Chairman of the Bank dated January 12th in electing Mr. H. J. Urquhart as Assistant Cashier of the Birmingham Branch at a salary of \$2400 per annum.

Approved.

Report of Committee on Salaries and Expenditures, recommending approval of the action of the directors of the Federal Reserve Bank of Boston,

1/15/24

as reported in letter from the Chairman of the bank dated January 10th, in increasing the salary of Mr. William C. Rich from \$3,000 to \$3,600 per annum, and that of Mr. Carl B. Pitman from \$4,000 to \$4,500 per annum, both effective February 1, 1924.

Approved.

Report of Committee on Salaries and Expenditures recommending disapproval of the action of the directors of the Federal Reserve Bank of San Francisco, as reported in letter from the Chairman of the bank dated January 3rd, in increasing the salary of Governor Calkins from \$25,000 to \$27,000 per annum and that of Deputy Governor Day from \$15,000 to \$16,000 per annum.

Upon motion by Mr. Hamlin, the report of the Committee on Salaries and Expenditures was approved and the proposed increases were not allowed.

Report of Committee on Salaries and Expenditures on letter dated January 12th from the Chairman of the Federal Reserve Bank of Atlanta, advising of the action of the board of directors of that bank in electing officers for the year 1924, and requesting approval of certain adjustments in the salaries of officers; the Committee recommending that action on the salaries proposed be deferred until after the proposed visit to Atlanta of the Chairmen of the Committee on Salaries and Expenditures and the Committee on District No. 6.

Approved.

1/15/24

Mr. Hamlin then submitted a report of the Committee on District No. 6, recommending approval of the action of the board of directors of the Federal Reserve Bank of Atlanta in fixing the salary of Mr. L. C. Adelson, as manager of the Cuban Agency, at \$12,000 per annum, plus an allowance of \$4,000 per annum for foreign service; the Committee recommending further that consideration of other salaries recommended be deferred until the proposed visit of the Committee to Atlanta.

Upon motion, by Mr. Hamlin, the report of the Committee on District No. 6 was approved, Messrs. Cunningham and Miller voting "no" as to approval of Mr. Adelson's Salary.

Memorandum dated January 11th from the Assistant Secretary of the Board recommending approval of the application of the Atlantic Exchange Bank and Trust Company of Baltimore, Md., for authority to accept drafts and bills of exchange up to 100% of its capital and surplus, said application having been transmitted and approval recommended in a letter from the Federal Reserve Agent at Richmond dated January 10th.

Approved.

Letter dated January 11th from the Secretary of the Federal Reserve Bank of Cleveland advising of the reappointment for the year 1924 of Mr. C. E. Sullivan as a member of the Federal Advisory Council from the Fourth District.

Noted.

Letter dated January 10th from the Chairman of the Federal Reserve Bank of Boston, advising of the appointment of officers of that bank for



1/15/24

-4-

the year 1924, the reelection of Mr. Alfred L. Aiken as a member of the Federal Advisory Council for 1924 and the reappointment for the year of Mr. Arthur H. Weed as Counsel, at a retainer of \$2400 per annum.

Upon motion by Mr. Hamlin, the retainer fixed for Mr. Weed was approved.

Letter dated January 10th from the Chairman of the Federal Reserve Bank of Kansas City, requesting approval of the designation for the year 1924 of Mr. T. Gordon Sanders as Assistant Federal Reserve Agent at Omaha and Mr. Dwight C. Meigs as Assistant Federal Reserve Agent at Denver; both appointees being in the employ of their respective branches and to receive a nominal salary of one dollar per annum as Assistant Federal Reserve Agents.

Approved.

Letter dated January 12th from the Chairman of the Federal Reserve Bank of Kansas City advising of the appointments of officers at the head office and branches for the year 1924, the reelection of Mr. E. F. Swinney as member of the Federal Advisory Council for the year and the appointments of Palmer and Palmer as Counsel for the Omaha branch with a retainer of \$100 per month and Mr. James E. Goodrich as Counsel at the head office with a retainer of \$5,000 per annum. The Chairman stated in his letter that Mr. Goodrich was retiring from the active practice of law and that he had been reappointed Counsel of the Reserve bank until such time as his successor could be elected.

Upon motion by Mr. Hamlin, the retainers fixed for Counsel at the head office and Omaha branch were approved.

1/15/24

-5-

Letter dated January 3rd from the Chairman of the Federal Reserve Bank of San Francisco advising of the appointment of officers at the head office and branches for the year 1924.

Noted.

Letter dated January 3rd from the Chairman of the Federal Reserve Bank of San Francisco, advising of the reappointment for the year 1924 of all of the bank's appointees to the directorates of its branches.

Noted.

Report of Committee on Examinations on letter dated January 8th, from the Federal Reserve Agent at Chicago on the subject "Examination of State Member Banks in the state of Iowa"; the Committee recommending that the Federal Reserve Agent be advised that the Board approves in a general way the suggestions made.

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

Draft of letter to the Federal Reserve Agent at San Francisco in reply to his letter of January 3rd, requesting the Board's approval of the actual amounts charged off at the end of 1923 as result of the operations of the bank for that year; the suggested letter approving the charge offs made which were slightly in excess of the estimates previously approved by the Board.

Upon motion, the letter to Mr. Perrin was approved.

Letter dated January 4th from the Chairman of the Federal Reserve Bank of San Francisco, advising that on February 8th, the directors of

1/15/24

-6-

that bank will meet with the directors of its several branches and inviting members of the Board to attend the meeting.

Noted.

Letter dated January 3rd from the Federal Reserve Agent at San Francisco suggesting an amendment to the Federal Reserve Act to permit a Federal Reserve Agent to withhold from the ballot in elections of Class A and B directors the name of any nominee who withdrew his name before the nominations were closed.

Referred to Counsel.

Letter dated January 8th from the Chairman of the Federal Reserve Bank of San Francisco inquiring whether a Federal Reserve Bank may conduct examinations of member banks with examiners other than those "selected and approved by the Federal Reserve Board" as stipulated in Section 9 of the Federal Reserve Act.

Referred to Counsel.

Letter dated January 9th from the Federal Reserve Agent at San Francisco advising of the method of selection of the Membership Committee of that bank.

Noted.

Letter dated January 11th from the Governor of the Federal Reserve Bank of New York with regard to the cost of the new building of that bank and the probable relation of income therefrom to its cost of operation.

Noted.



1/15/24

Letter dated January 11th from the Governor of the Federal Reserve Bank of New York, with regard to acceptance transactions of the National Park Bank of New York, and enclosing copy of a letter addressed on the same date to the Comptroller of the Currency on the subject.

Referred to Law Committee.

Memorandum dated January 12th from Counsel referring to letter dated January 8th from the Federal Reserve Agent at Kansas City regarding the cancellation by the Pender State Bank of Pender, Nebraska, of its notice of intention to withdraw from the Federal Reserve System.

Upon motion, Counsel's memorandum was approved.

Memorandum dated January 12th from Counsel with regard to letter dated January 3rd from the Secretary of War on the subject of the establishment at Manila of a branch of the Federal Reserve Bank of San Francisco.

Upon motion, Counsel's memorandum was ordered circulated and referred back to the Law Committee for the preparation of a letter to the Secretary of War.

The Vice Governor then presented the matter ordered circulated at the meeting on December 27th, namely, a memorandum dated December 18th from Counsel suggesting a form of letter to the Federal Reserve Agent at St. Louis in reply to his letter of October 22nd on the subject "Discount of Sight and Demand Bill of Lading Drafts".

After discussion Counsel's memorandum was ordered docketed as special order business for tomorrow's meeting.

1/15/24

Letter dated January 10th from the Federal Reserve Agent at New York on the subject of advising member banks in his district of the Board's resolutions of January 7th on the subject of branch banking; together with a form of reply thereto sent out by the Executive Committee under date of January 11th.

Upon motion the action of the Executive Committee in the above matter was formally ratified.

Letter dated January 11th from the Assistant Federal Reserve Agent at Cleveland on the subject of advising the member banks in his district of the Board's resolutions of January 7th on the subject of branch banking; together with a form of reply thereto sent out by the Executive Committee under date of January 12th.

Upon motion the action of the Executive Committee in the above matter was formally ratified.

The Vice Governor then submitted copy of a letter which the Executive Committee had forwarded under date of January 11th to Mr. Charles H. Tyler of Boston in reply to his letter of December 26th advising of his inclination to submit to the Circuit Court of Appeals the Board's recent decision in refusing to grant the application of Mr. E. S. Welch, of Boston, for permission to serve on the directorates of the Old Colony Trust Company and the National Union Bank; said letter having been prepared in accordance with action taken at the meeting on January 7th.

Upon motion the action of the Executive Committee in the Above matter was formally ratified.



1/15/24

-9-

Mr. Hamlin then reported on the matter which was held over at the meeting on January 3rd, namely, the appointment of a director of the Baltimore branch to serve with Mr. William H. Matthai. Mr. Hamlin presented a letter addressed to him by the Vice President of the Merchants National Bank of Baltimore, Md., recommending Mr. E. Stanley Gary, a member of the firm of James S. Gary and Sons, textile manufacturers and also discussed with the Board the desirability of appointing Mr. Edmund P. Cohill a farmer located at Hancock, Md.

Upon motion by Mr. Cunningham, the Committee on Nominations was authorized to communicate with Mr. Cohill, and if he was not available to offer the appointment to Mr. Gary.

Mr. Hamlin then brought up the matter referred to the Committee on Branches at the meeting on December 21st, namely, a letter dated December 17th from the Governor of the Federal Reserve Bank of Richmond, with regard to the action of the directors of that bank in authorizing the introduction in Congress of a joint resolution permitting the construction of a building for the Baltimore branch to cost not in excess of \$969,000.

After discussion, Mr. Hamlin moved:

"That the Federal Reserve Bank of Richmond be advised that the Board has no authority under the Federal Reserve Act to object to the introduction of legislation of this character, but that the Board wishes it distinctly understood that in not objecting to the introduction of the resolution it is in no way implying approval of the action which is contemplated, and further that the Board as at present advised, has grave doubts as to whether the amount which it has intended to expend is necessary or desirable. "

Carried.

Thereupon, the matter was referred back to the Law Committee for the preparation of a letter to the Federal Reserve Bank of Richmond to be submitted to the Board.

1/15/24

-10-

Mr. Hamlin then brought up the matter of the suggested employment of Mr. John W. Davis to represent the Federal Reserve System in the case of the Burnes National Bank of St. Joseph, Mo., regarding the exercise of fiduciary powers by national banks in that state, and moved that the Vice Governor communicate with the Governor in New York and suggest that he do not take the matter up with Mr. Davis until the Comptroller has consulted regarding it with the Solicitor General.

Carried.

Mr. Cunningham offered the following resolutions which were held over for action at the next meeting of the Board:

"WHEREAS it is deemed desirable for the Federal Reserve Board to be in possession of the fullest possible information with regard to the officers and minor employees of the Federal Reserve banks and Federal Reserve branch banks and with regard to the official duties of such officers and employees, the work performed by them, and the salaries paid to them; and

WHEREAS it is manifestly desirable to improve as far as possible the efficiency of the Federal reserve banks and branch banks and at the same time to bring about the strictest possible economy in the operation of such banks and branch banks;

NOW, THEREFORE, BE IT RESOLVED by the Federal Reserve Board that the Committee on Salaries and Expenditures be authorized and empowered to make a complete survey for the purpose of ascertaining the number of officers of the various Federal reserve banks and branch banks, the duties performed by such officers and the necessity for such services; the number of employees of such banks and branch banks, the character of services they are rendering and the necessity for such service; and the total overhead expenses of the various Federal reserve banks and their branches;

BE IT FURTHER RESOLVED that the Committee on Salaries and Expenditures is hereby authorized and empowered to employ such experts and other assistants as it might deem necessary for the

1/15/24

-11-

"purpose of procuring such data and information as will enable it to be fully informed on all matters involving the management operation and expenses of the various Federal reserve banks and branch banks;

BE IF FURTHER RESOLVED, that the Committee on Salaries and Expenditures is hereby directed to make such recommendations as in its judgment will improve the efficiency of the operation of such Federal reserve banks and branch banks and will be instrumental in bringing about and maintaining the strictest economy commensurate with efficient service."

BE IT FURTHER RESOLVED that the Committee on Salaries and Expenditures is hereby directed to report its findings and recommendations to the Federal Reserve Board not later than November 1, 1924."

REPORTS OF STANDING COMMITTEES:

Dated January 11th, 12th, 14th, Recommending changes in stock at Federal Reserve banks as set forth in the Auxiliary Minute Book of this date.

Approved.

Dated January 12th, Recommending approval of the application of Mr. John D. Everitt to serve at the same time as director and officer of the Brick Church National Bank of Orange, New Jersey and of the Orange National Bank of Orange, New Jersey.

Approved.

Dated January 12th, Recommending approval of the application of Mr. Henry L. Holmes to serve at the same time as director and officer of the Brick Church National Bank of Orange, New Jersey and of the Orange National Bank of Orange, New Jersey.

Approved.

Dated January 12th, Recommending approval of the application of Mr. George E. Spotteswoode to serve at the same time as director of the Brick Church National Bank of Orange, New Jersey and of the Orange National Bank of Orange, New Jersey.

Approved.

Dated January 12th, Recommending approval of the application of Mr. Frederick H. Williams to serve at the same time as director and officer of the Brick Church National Bank of Orange,



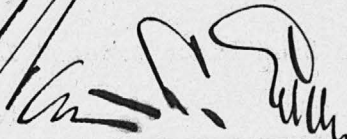
1/15/24

-12-

REPORTS OF STANDING COMMITTEES: CONT'D

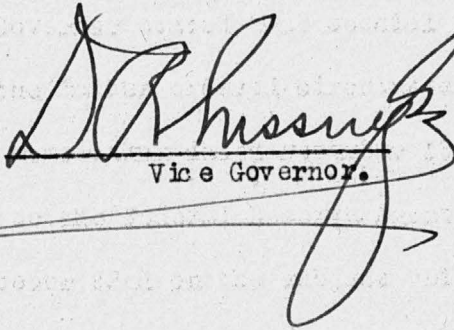
New Jersey and of the Orange National  
Bank of Orange, New Jersey.  
Approved.

The meeting adjourned at 12:50 p.m.



Secretary.

Approved:



Vice Governor.