

Upon call of the Governor a special meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Friday, November 21, 1924 at 10:30 a.m.

PRESENT: Governor Crissinger
Mr. Platt
Mr. Miller
Mr. James
Mr. Cunningham
Mr. Eddy, Secretary

The Governor stated that the meeting had been called in order that the Board might hear the Governor of the Federal Reserve Bank of Kansas City and Mr. White, the bank's architect, with regard to plans and specifications for buildings to house the Omaha and Denver branches. The Secretary then reviewed the previous action of the Board on these matters, resulting in its interposing no objection to the Federal Reserve Bank of Kansas City proceeding with the erection of buildings at Denver and Omaha at a cost each of not exceeding \$250,000, exclusive of the cost of vaults, permanent equipment and fixtures. The Secretary read a letter from Mr. A. B. Trowbridge, Consulting Architect for the Board, stating that he has reviewed the plans and specifications for these buildings and feels that from every viewpoint, save one, the Board may feel safe in authorizing the Federal Reserve Bank of Kansas City to proceed with the construction work as there is no evidence of extravagance or unnecessary expense in these two buildings. Mr. Trowbridge stated, however, that he thought it would be well for the Board to have on file figures showing separately the cost of each item of vaults, permanent equipment, furniture and fixtures, which are excluded from the \$250,000 limitation placed on the cost of buildings proper by Section 9 of the Federal Reserve Act.

11/21/24

-2-

Governor Bailey and Mr. White then entered the meeting and Governor Bailey stated that the directors of the Kansas City bank at their meeting yesterday had accepted bids for the construction of a building at Omaha aggregating \$433,450.69 and for the construction of a building at Denver aggregating \$467,177.76, both figures covering a building completely equipped with vaults, permanent equipment, furniture and fixtures.

Mr. White then discussed with the members of the Board the character of the buildings and the manner in which the bids were secured.

At this point, Messrs. Bailey and White left the meeting.

After discussion, Mr. Cunningham moved that the Board interpose no objection to the action of the directors of the Federal Reserve Bank of Kansas City in accepting bids totaling \$433,450.69 for the erection of a building, including vaults, permanent equipment, furniture and fixtures, to house its Omaha branch.

Carried.

Mr. Cunningham then moved that the Board interpose no objection to the action of the directors of the Federal Reserve Bank of Kansas City in accepting bids totaling \$467,177.76 for the erection of a building, including vaults, permanent equipment, furniture and fixtures, to house its Denver branch.

Carried.

Thereupon ensued a general discussion of the sufficiency of the examination departments of the Federal Reserve banks and the efficiency of the personnel thereof, following which Mr. Miller made the following motion:

"That the Committee on Examinations of the Federal Reserve Board be requested to investigate and report to the Board on the advisability and practicability of coordinating all examining work in the Federal Reserve System under the supervision of the Board, acting through

11/21/24

-3-

"its Division of Examinations, in order to give fuller effect to the provisions of the Federal Reserve Act (Section 9) that 'examinations made by direction of the Federal Reserve Board or of the Federal Reserve bank' shall be made 'by examiners selected or approved by the Federal Reserve Board'."

At the suggestion of Mr. Cunningham, the Governor ruled that action on this motion be deferred for a future meeting.

The Secretary then advised the Board that intimations had come to him that certain employees of the Board, whose names were not furnished to him, were maintaining margin accounts with local brokerage firms.

Referred to the Committee on Salaries,
Expenditures and Efficiency for investigation
and report.

Mr. Miller referred again to the sharp increase in the Federal Reserve banks' holdings of acceptances bought in the open market during the past few weeks and reiterated his opinion that the buying rate of the Federal Reserve banks on these bills was too low and should be kept above current market rates in order not to attract bills to the Federal Reserve Bank which should be absorbed by the market.

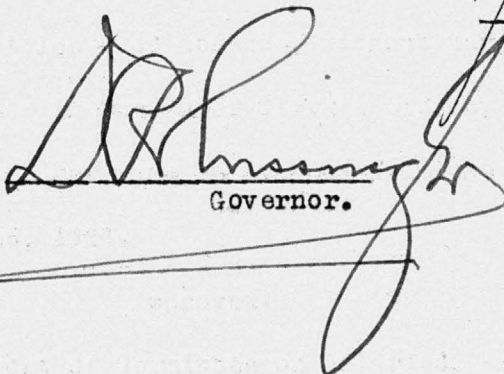
After some discussion, Governor Crissinger left the meeting and upon his return stated that he had discussed the matter over the telephone with Governor Strong of the Federal Reserve Bank of New York, who had advised him that the recent slight increase in that bank's rate resulted in greatly diminished offerings of bills and that purchases during the past few days have been light. Governor Strong also stated that the bank contemplates further increases as opportunity offers. It is also proposed to anticipate December 15th maturities in United States Treasury certificates by gradually disposing of holdings of such securities.

11/21/24

Mr. Miller then expressed the hope that the action reported by the Governor would prove to have the effect anticipated, but stated that in his opinion further advances of the open market rate would be found necessary to make the rate effective and should not be delayed.

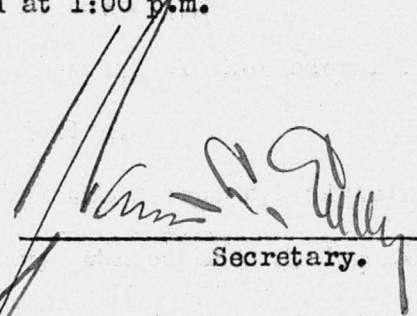
The meeting adjourned at 1:00 p.m.

Approved:



A large, stylized handwritten signature in black ink, written over a horizontal line. The signature is highly cursive and appears to be 'L. B. Sweeney'.

Governor.



A handwritten signature in black ink, written over a horizontal line. The signature is cursive and appears to be 'Wm. P. Miller'.

Secretary.