

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, December 18, 1924, at 3:10 p.m.

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

Governor Crissinger stated that the purpose of the meeting was to appoint a Class C Director to fill the vacancy on the Board of Directors of the Federal Reserve Bank of Kansas City.

The Committee on District #10 submitted the following report:

"Your Committee herewith hand the Board for determination the matter of the appointment of Mr. Fred O. Roof to fill the vacancy of Class C Director on the Kansas City Federal Reserve Bank Board.

This vacancy was created by the resignation of Mr. Roof on September 29th, 1924, at which time he stated that he was to engage in other activities. It subsequently developed that the activities of Mr. Roof after handing in his resignation were of such a nature, in the judgment of your committee, as to make his re-appointment a question of eligibility according to the policy outlined by the Board in a resolution adopted December 23, 1915, and still in effect.

Statements have been made in informal discussions of the filling of the vacancy on the Board of the Kansas City Bank, that Mr. Roof could consistently be reappointed by the Board at this time. Your Committee does not concur in this view, but wishes to add, in justice to Mr. Roof and his proponents, that its attitude implies no criticism of him or his general qualifications for the office of Director. In the event that the Board should adopt the view of the Committee, the Committee recommend the following names in the order of precedence:

"1. John W. Morey. 45 years old. President, Morey Mercantile Company which is the largest wholesale grocery concern in Denver. Director, First National Bank. Chairman of the Board, International Trust Company. President, Community chest. He is a man of the highest standing in the community; of wide business experience; has considerable means; of great civic interest, and is an all-around, broad gauge business man. He is very conscientious and a hard worker, and would make an excellent director.

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"The only objections to his appointment are that C. C. Parks, already on the Board, is vice-president of the First National Bank, and John Evans, already on the Board, is president of the International Trust Company, of which Mr. Morey is chairman of the Board. The same interests own the stock of the First National Bank and the stock of the International Trust Company.

From all accounts he would make an ideal director.

2. Merritt Gano. About 50 years of age. President, Gano-Downs Company, a clothing house in Denver. Director of the Denver National Bank. Very successful in business. A large property owner. A Republican in politics, but not active. Stands high in the community, and my best advice is he would make an excellent director. The only objection urged against him was that he traveled a good deal and might not be willing to accept.

3. T. B. Stearns. About sixty years of age. President, Stearns-Rogers Manufacturing Company. Republican in politics.

He is a big machinery contractor and a man of large means and varied interests. Very public spirited."

Thereupon ensued a discussion as to whether or not Mr. Roof was eligible for reappointment. The Chairman stated that he did not believe Mr. Roof was disqualified under the Board's resolution of December 23, 1915 and that he thought it would be wise to reappoint him.

Mr. Hamlin moved that it is the sense of the Board that the appointment of Mr. Roof to the vacancy would not in spirit or technically violate the Board's resolution of December 23, 1915.

Mr. Hamlin's motion, being seconded by Mr. James, was put by the Chair and carried, the members voting as follows:

The Chairman, "aye"
Governor Crissinger, "aye"
Mr. Platt, "aye"
Mr. Hamlin, "aye"
Mr. James, "aye"
Mr. Miller, "no"
Mr. Cunningham, "no"

Mr. Cunningham then stated that in his opinion Mr. Roof, by reason of his past experience on the Board of Directors of the Bank and his high standing in the District, was particularly qualified to fill the vacancy

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and that in view of the above action of the Board he personally would have no objection to the appointment.

Mr. Cunningham thereupon moved that Mr. Fred O. Roof be appointed as a Class "C" Director to fill the vacancy on the Board of the Kansas City bank, for the term expiring December 31, 1925.

Mr. Cunningham's motion being put by the Chair was carried, the members voting as follows:

The Chairman, "aye"
Governor Crissinger, "aye"
Mr. Platt, "aye"
Mr. Hamlin, "aye"
Mr. James, "aye"
Mr. Cunningham, "aye"
Mr. Miller, "no"

Mr. Miller stated that he voted "no" on Mr. Cunningham's motion with no reflection on the ability of Mr. Roof or the character of his past services, but because he could not agree with the position of the Board as to his eligibility for reappointment.

Report of Executive Committee with regard to action by the recent Federal Reserve Agents' Conference on the question of the advisability of discontinuing annual reports of Federal Reserve Agents to the Federal Reserve Board, and presenting the Federal Reserve Banks' operations and financial developments during the year in the form of a brief resume in the January or February number of the Banks' Monthly reviews; the Committee's report reading as follows:

"The Executive Committee concurs in the conclusion of the recent Conference of Federal Reserve Agents that there should be a report from each Federal Reserve bank to its stockholders printed separately from the Board's Annual Report; and also in conclusion that these reports should be shortened by the omission of most of the statistical matter previously included in them."

Upon motion, the report of the Executive Committee was approved.

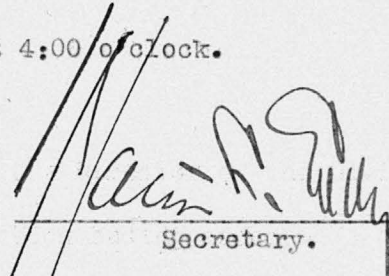
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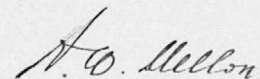
Report of Committee on Discount and Open Market Policy with regard to the action of the recent Conferences of Governors and Chairmen on the question of the advisability of a Federal reserve bank investing an amount equal to capital and surplus in government bonds for earning purposes; the Committee reporting that after consideration of the matter it finds itself in substantial agreement with the position stated in the resolution adopted at the Chairmen's Conference, to wit: that the System should not change its investment policy because of temporary changes in credit conditions and that the present is not an opportune time to make such investments even if, as a matter of policy, it was considered desirable and recommending this action for careful consideration by the Board should the Board at any time be disposed to formulate an expression of its attitude in the matter of investment by Federal reserve banks of amounts equal to their capital and surplus in government bonds for earning purposes.

Upon motion, the report of the Committee on Discount and Open Market Policy was approved.

The meeting adjourned at 4:00 o'clock.


Secretary.

Approved:


Chairman.