

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, December 23, 1924 at 10:20 a.m.

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

The Governor stated that the meeting would be devoted to consideration of reports by the Committee on Salaries, Expenditures and Efficiency on the salary recommendations submitted by the Directors of the several Federal reserve banks for officers and employees during the year 1925 and on the closing of the books of the several banks as of December 31, 1924.

Mr. James, Chairman of the Committee on Salaries, Expenditures and Efficiency stated that the Committee wished to present reports on salaries and charge-offs for each bank, dealing first with the Federal Reserve Bank of Richmond and he presented for the information of the members the following statements:

NET RESULTS OF OPERATIONS OF FEDERAL RESERVE BANKS FOR YEAR 1924.

Bank	Deficit	To Surplus	Available for Franchise Tax.
Boston	\$56,838.00	-	-
New York	1,719,972.00	-	-
Philadelphia	-	74,938.00	-
Cleveland	1,357,925.00	-	-
Richmond	8,614.00	-	-
Atlanta	37,832.00	-	-
Chicago	-	5,731.00	51,576.00
St. Louis	112,250.00	-	-
Minneapolis	-	17,277.00	155,489.00
Kansas City	279,323.00	-	-
Dallas	-	36,838.00	-
San Francisco	788,000.00	-	-
	\$4,360,754.00	\$134,784.00	\$207,065.00

REDUCTIONS IN SALARIES PROPOSED FOR  
1925 AS RELATED TO THOSE FOR 1924.

Boston .....	4.1%
New York.....	2.7%
Philadelphia .....	3.8%
Cleveland .....	9.1%
Richmond.....	3.15%
Atlanta .....	8.41%
Chicago.....	9.24%
St. Louis.....	7.6%
Kansas City.....	7.7%
Minneapolis.....	5.63%
Dallas.....	7.35%
San Francisco.....	4.47%

OFFICIAL SALARIES

FEDERAL RESERVE BANK OF RICHMOND.

	: High cost :	Peak of :	Salaries :	Proposed :
	: of living :	official :	paid in :	for :
	: & earnings :	salaries :	1924 :	1925 :
	: 1920 :	1922 :	1924 :	1925 :
Federal Reserve Agent	: 15,000	: 15,000	: 15,000	: 15,000
Asst. Federal Reserve Agent	: 6,600	: 7,000	: 7,500	: 7,500
" " "	6,600	7,000	-	-
Governor	18,000	18,000	20,000	20,000
Deputy Governor (Peple)	15,000	15,000	15,000	15,000
" " (Broaddus)	9,000	10,000	10,000	10,000
Controller (Walden)	7,200	7,500	10,000	10,000
Auditor (Grady)	4,200	-	-	-
Cashier (Keesee)	7,200	7,500	8,000	8,000
Mngr. Personnel (Johnstone)	7,200	7,500	6,000	6,000
Asst. Cashier (Blackburn)	4,500	4,500	4,500	4,500
" " (Dillard)	4,500	4,500	4,800	4,800
" " (Marshall)	4,500	4,500	5,000	5,000
" " (Sloan)	-	4,000	5,000	5,000
" " (Waller)	3,750	4,500	5,000	5,000
Mgr. Bank Relations (Garrett)	-	-	5,400	5,400
Auditor (Grady)	-	5,000	-	-
" (Leach)	-	3,600	5,000	6,000
Counsel (Wallace)	3,000	5,000	6,000	6,000

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BALTIMORE BRANCH

	:High cost :of living :& earnings : 1920	: Peak of :official :salaries : 1922	: :Salaries : paid in : 1924	: : Proposed : for : 1925
Manager (Prentiss)	9,000	10,000	-	-
" (Dudley)	-	-	10,000	10,000
Cashier (Wyatt)	4,500	5,400	-	-
" (Grady)	-	-	6,600	7,000
Asst. Cashier (Leake)	4,000	4,500	-	-
" " (Hays)	2,700	3,600	4,200	4,200
" " (Reese)	3,000	4,000	4,200	4,200
" " (Hammond)	-	3,600	-	-
Auditor (Schutz)	2,700	3,000	3,300	3,300
Asst. Fed. Res. Agt. (Duley)	4,000	4,200	-	-
" " " (Bradley)	2,700	3,000	-	-
<b>T O T A L</b>	<b>148,850</b>	<b>170,500</b>	<b>160,500</b>	<b>161,900</b>
<b>Total Number</b>	<b>23</b>	<b>26</b>	<b>21</b>	<b>21</b>
<b>Net earnings (exclusive of dividends)</b>	<b>5,238,506</b>	<b>867,448</b>	<b>342,685</b>	
<b>Cost of Living Index Labor Dept.</b>	<b>208</b>	<b>167</b>	<b>170</b>	

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency on the subject of the closing of books of the Federal Reserve Bank of Richmond as of December 31, 1924:

"Your committee has examined the statement submitted by the Federal Reserve Bank of Richmond with its request for authority to close its books and pay the semi-annual dividend, and finds that on the basis of the bank's daily balance sheet Form 34 the estimated gross earnings will be sufficient to cover current operating expenses, the cost of furniture and equipment purchased during the year, depreciation allowances on its bank buildings and on machinery and equipment, proposed additions to the reserves for self insurance and for probable losses, and in addition, the greater part if not all of the dividends accrued to the end of the year. The estimated earnings and proposed deductions therefrom are as follows:

Gross earnings . . . . .	\$2,182,300.00
Current expenses . . . . .	1,550,000.00
Current net earnings . . . . .	\$632,300.00
Net income from real estate . . . . .	500.00
Total . . . . .	<u>\$632,800.00</u>

## Proposed deductions:

Furniture and equipment . . . . .	50,000.00
2% reserve on bank building . . . . .	40,629.66
10% reserve on fixed machinery and equipment . . . . .	41,040.91
Chargeoff on land - Richmond . . . . .	293.90
Chargeoff on land - Baltimore . . . . .	150.00
Reserve for self insurance . . . . .	50,000.00
Reserve for probable losses . . . . .	100,000.00
Miscellaneous . . . . .	8,000.00
Total deductions . . . . .	<u>290,114.47</u>
Balance available for dividends . . . . .	342,685.53
Dividends paid June 30 . . . . .	174,919.31
Estimated dividends July 1 to December 31 . . . . .	<u>176,380.69</u>
Total dividends . . . . .	<u>351,300.00</u>
Deficit in earnings if above deductions are made in full . . . . .	8,614.47

Your committee finds that the deductions from current net earnings for furniture and equipment and for depreciation on bank buildings and on fixed machinery and equipment are reasonable and in accordance with the Board's instructions and recommends that they be approved.

The bank estimates its probable losses on account of paper of failed banks at \$75,400 and on paper of banks considered to be in an unsafe condition at \$120,000, making a total of \$195,400, against which it now has a reserve of \$200,000. The bank feels that it would be prudent to set aside an additional reserve of \$100,000 to cover probable losses which it is not in a position to estimate at this time and your committee recommends that the additional reserve be authorized by the Board.

It is also recommended that the bank be authorized to pay all dividends accrued to December 31 and to transfer the balance of its net earnings, not exceeding \$50,000 to its present reserve for self insurance, which now amounts to \$150,000."

After discussion, Mr. Miller moved that -

"Without deciding as a matter of principle, the Board is of the opinion that for the year 1924 banks which have not earned dividends should not be permitted to charge any deficiencies to surplus account".

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Mr. Hamlin moved as a substitute that -

"Without deciding as a matter of principle that unearned dividends should regularly be paid out of surplus, the Board decides that for the year 1924 surplus should be drawn upon where necessary to pay dividends."

Mr. Hamlin's substitute motion being put by the chair was carried, the members voting as follows:

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

Mr. James then moved approval of the recommendations of the Committee.

Mr. James' motion being put by the chair was carried, Governor Crissinger voting "no".

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency with regard to salary adjustments submitted by the directors of the Federal Reserve Bank of Richmond for the bank and its Baltimore Branch for the year 1925:

"Your Committee presents herewith the recommendations as to salary adjustments submitted by the officers and directors of the Federal Reserve Bank of Richmond and recommends approval of all the recommendations made as to employees receiving more than \$2500 per annum and as to all employees receiving less than \$2500 per annum.

The Committee also recommends approval of the recommendations as to two officers, namely Hugh Leach, Auditor, present salary \$5,000, proposed salary \$6,000, and E. G. Grady, Cashier of the Baltimore Branch, present salary \$6,600, proposed salary \$7,000.

The Committee further recommends that the salary of the Cashier of the Baltimore Branch be pegged at \$7,000.

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"Your Committee further recommends that since the budget estimates for the statistical and research department of the bank covers only the first six months of the year, that the Board's approval of the salary recommendations for officers and employees in this department be also limited to a like period.

Your Committee finds that the annual payroll for the Richmond Bank and Baltimore Branch on January 1, 1924, was \$1,038,753 for a total of 738 employees. Including the increases which have taken place during the year and the suggested increases now being submitted, the payroll on January 1, 1925 would be \$1,006,072 for 684 employees. This shows a reduction of \$32,681 in dollars and 54 in the number of officers and employees.

The reduction in salaries as proposed for 1925 as compared to the salaries recommended for 1924, shows a decrease of 3.15%.

Your Committee is of the opinion that the Federal Reserve Bank of Richmond is considerably over-manned, and we believe that a careful survey of the organization by the officers and directors of the bank would accomplish a further reduction in both the number of officers and the number of employees.

For the information of the Board, attention is called to the fact that the St. Louis Bank, with 3 branches, is operated with 578 officers and employees, whereas Richmond has a total as of December 1, 1924, of 684 officers and employees. The Committee finds it difficult to justify this condition."

Mr. Hamlin then moved approval of the adjustments made during the year in the salaries of employees receiving \$2500 or less per annum and the recommendations made by the directors as to employees receiving more than \$2500 per annum, with the understanding that the approval in the case of employees in the statistical and research department is for six months only.

Carried.

Mr. James then called attention to the table of official salaries of the Federal Reserve Bank of Richmond, submitted above, and to the opinion of the Committee that the bank is considerably over-manned and that a careful survey of the organization by the officers and directors of the bank would accomplish a further reduction in both the number of officers and the number of employees, and moved -

"That the Board send back the official salary list of the Federal Reserve Bank of Richmond, with the comments of the Committee that the bank is over-manned and over-officered, and that the official salary list will have to be adjusted before it is approved by the Board."

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Mr. Miller moved as a substitute for Mr. James' motion that -

"As the Board is advised by its Committee on Salaries, Expenditures and Efficiency that the Richmond Bank is over-officered and over-manned and that the official organization of the bank should be adjusted in the interest of economy of operation, the Board will not give consideration to any recommendations for increases for officers until the Richmond directors have adjusted their official organization and total costs".

Mr. Hamlin moved as a substitute for the motions of Messrs. James and Miller that -

"In view of the statement of the Committee on Salaries, Expenditures and Efficiency that the salary list of the Federal Reserve Bank of Richmond is excessive and that the bank is overmanned, the Board suspend action on the salary list of the official personnel pending a conference between the Committee on Salaries, Expenditures and Efficiency and the Directors of the Federal Reserve Bank of Richmond."

Mr. Hamlin's substitute motion being put by the chair was lost, Mr. Hamlin voting "aye".

Mr. Miller's substitute motion being put by the chair was lost, Mr. Miller voting "aye".

Mr. James' original motion being put by the chair was carried, the members voting as follows:

Mr. Hamlin "aye"  
 Mr. James "aye"  
 Mr. Cunningham "aye"  
 Mr. McIntosh "aye"  
 Governor Crissinger "no"  
 Mr. Platt "no"  
 Mr. Miller "no"

Mr. Hamlin then called attention to the fact that unless the Richmond official salary list is acted upon before January 15th, no official salaries could be paid on that date.

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency on the subject of the closing of books of the Federal Reserve Bank of Boston, as of December 31, 1924:

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"Your Committee has examined the statement submitted by the Federal Reserve Bank of Boston with its request for authority to close its books and pay the semi-annual dividends, and finds that on the basis of the bank's daily balance sheet Form 34 the estimated gross earnings will be sufficient to cover current operating expenses, the cost of furniture and equipment purchased during the year, depreciation allowances on its bank buildings and on machinery and equipment, and in addition, the greater part of the dividends accrued to the end of the year. The estimated earnings and proposed deductions therefrom are as follows:

Gross earnings	-	\$2,502,061.70	
Current expenses	-	<u>1,966,861.54</u>	
Current net earnings	-		\$535,200.16
Appreciation on conversion bonds	-	15,870.00	
Profit and Loss	-	<u>3,936.93</u>	
			<u>19,806.93</u>
Total	-		\$555,007.09
Proposed deductions:			
Furniture and equipment	-	12,000.00	
2% reserve on bank building	-	55,832.00	
10% reserve on fixed machinery & equipment	-	<u>66,215.00</u>	
Total deductions	-		<u>134,047.00</u>
Balance available for dividends	-		420,960.09
Dividends paid June 30	-	237,959.86	
Estimated dividends July 1 to Dec. 31	-	<u>239,833.36</u>	
Total dividends	-		<u>477,798.22</u>
Deficit in earnings if dividends are paid in full	-		56,838.13

Your Committee finds that the deductions from current net earnings for furniture and equipment and for depreciation of bank buildings and on fixed machinery and equipment are reasonable and in accordance with the Board's instructions and recommends that they be approved.

The payment of accrued dividends in full will necessitate a charge against the bank's surplus of approximately \$56,000. Inasmuch as the bank now has a surplus of \$16,389,562.71 your committee recommends that accrued dividends be paid in full and that such portion thereof as may be necessary be charged to the surplus account.

On November 30 the First National Bank of Putnam, Connecticut, which was closed on August 12, 1924, owed the Federal Reserve Bank of Boston \$104,629.36. The reserve bank estimates that it will sustain no loss on this indebtedness and states that there are no banks in its district which are considered in an unsafe condition".

Upon motion by Mr. James, the recommendations of the Committee were approved.



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The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency, with regard to adjustments recommended by the Directors of the Federal Reserve Bank of Boston in the salaries of officers and employees during the year 1925:

"Your Committee presents herewith the recommendation as to salary adjustments submitted by the officers and directors of the Federal Reserve Bank of Boston, and recommends approval of all recommendations made both as to employees receiving more than \$2,500 per annum and as to employees receiving less than \$2,500 per annum.

The Committee has some doubt as to the propriety and justification of the proposed increases in the salaries of 7 of the officers. Therefore, it begs to submit the present and proposed official salary list of the Boston bank for direct consideration and action of the Board.

Between December 31st last year and December 1st of the present year there is shown a decrease of two officers and 56 employees at the Boston Bank; that the payroll for the present year will be approximately \$66,511.00 less than was the payroll for 1923, and that the estimated payroll for next year, if all proposed increases are approved, will be \$1,138,890.00, or approximately \$60,602.00 less than the annual payroll of the Bank as of January 1, 1924. This indicates a reduction of 5.04% in the annual salaries of the officers and employees of the Bank for the year 1925 as compared with their annual salaries for the year 1924.

Your Committee further recommends that since the budget estimate for the statistical and research department of the bank covers only the first six months of the year, that the Board's approval of salary recommendations for officers and employees in this department be also limited to a like period.

Your Committee is of the opinion that a survey of the organization will accomplish a further reduction in the number of employees."

Mr. James then moved approval of the adjustments made during the year in the salaries of employees receiving \$2500 or less per annum and the recommendations made by the directors as to employees receiving more than \$2500 per annum, with the understanding that the approval in the case of employees in the statistical and research department is for six months only.

Carried.

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The Board then considered individually the salaries of officers as follows:

W. P. G. Harding, Governor; Present annual salary, \$25,000; Proposed annual salary, \$25,000.

Upon motion, it was voted to approve a salary of \$25,000 for Governor Harding during the year 1925.

Wm. W. Paddock, Deputy Governor; Present annual salary, \$16,000; Proposed annual salary, \$17,000.

Mr. Miller moved that the Board approve a salary of \$16,000 for Mr. Paddock during the year 1925.

Mr. Hamlin moved, as a substitute for Mr. Miller's motion, that the proposed increase to \$17,000 be approved.

Mr. Hamlin's substitute motion being put by the chair was lost, the members voting as follows:

Mr. Platt, "aye"  
Mr. Hamlin, "aye"  
Governor Crissinger, "aye"  
Mr. Miller, "no"  
Mr. James, "no"  
Mr. Cunningham, "no"  
Mr. McIntosh, "not voting"

Mr. Miller's original motion being put by the chair was carried, the members voting as follows:

Mr. Platt, "no"  
Mr. Hamlin, "no"  
Governor Crissinger, "aye"  
Mr. Miller, "aye"  
Mr. James, "aye"  
Mr. Cunningham, "aye"  
Mr. McIntosh, "not voting"

William Willett, Cashier; Present annual salary, \$10,000; Proposed annual salary, \$12,000.

Mr. Miller moved that the Board approve a salary of \$10,000 for Mr. Willett during the year 1925.

Mr. Hamlin moved, as a substitute for Mr. Miller's motion, that the proposed increase to \$12,000 be approved.

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Mr. Hamlin's substitute motion being put by the chair was lost, the members voting as follows:

Governor Crissinger, "aye"  
 Mr. Platt, "aye"  
 Mr. Hamlin, "aye"  
 Mr. Miller, "no"  
 Mr. James, "no"  
 Mr. Cunningham, "no"  
 Mr. McIntosh, "not voting"

Mr. Miller's original motion being put by the chair was carried, the members voting as follows:

Mr. Hamlin, "no"  
 Mr. Platt, "no"  
 Governor Crissinger, "aye"  
 Mr. James, "aye"  
 Mr. Miller, "aye"  
 Mr. Cunningham, "aye"  
 Mr. McIntosh, "not voting"

K. K. Carrick, Secretary; present annual salary, \$7,500; proposed annual salary \$7,500.

Upon motion, it was voted to approve a salary of \$7,500 per annum for Mr. Carrick during the year 1925.

Chas. F. Gettemy, Assistant Federal Reserve Agent; present annual salary \$7,000; proposed annual salary \$7,000.

Upon motion, it was voted to fix a salary of \$7,000 for Mr. Gettemy during the year 1925.

E. G. Hult, Assistant Cashier; present annual salary, \$6,000; proposed annual salary, \$6,500.

William N. Kenyon, Assistant Cashier; present annual salary, \$6,000; proposed annual salary, \$6,500.

Ernest M. Leavitt, Assistant Cashier; present annual salary, \$6,000; proposed annual salary, \$6,500.

Upon motion by Mr. Hamlin, it was voted to approve salaries of \$6,500 per annum for Messrs. Hult, Kenyon and Leavitt during the year 1925.

L. W. Sweetzer, Assistant Cashier; present annual salary, \$6,000; proposed annual salary, \$6,000.

Upon motion, it was voted to approve a salary of \$6,000 per annum for Mr. Sweetzer during the year 1925.

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H. F. Currier, Auditor; present annual salary, \$6,000; proposed annual salary, \$6,000.

Upon motion, it was voted to approve a salary of \$6,000 per annum for Mr. Currier during the year 1925.

John J. Fogg, Assistant Auditor; present annual salary, \$3,540; proposed annual salary, \$3,720.

Upon motion by Mr. Miller, it was voted to approve a salary of \$3,720 per annum for Mr. Fogg during the year 1925.

H. P. Robinson, Assistant Auditor; present annual salary, \$3,000; proposed annual salary, \$3,120.

Upon motion by Mr. Miller, it was voted to approve a salary of \$3,120 per annum for Mr. Robinson during the year 1925.

A. H. Weed, Counsel; present annual salary, \$2,400; proposed annual salary, \$2,400.

Upon motion by Mr. Hamlin, Chairman of the Law Committee, it was voted to approve a salary of \$2,400 for Mr. Weed during the year 1925.

It was thereupon voted that except where specific action is taken, salaries of Federal Reserve Agents shall be considered fixed at the same amounts received during the year 1924.

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency on the subject of the closing of books of the Federal Reserve Bank of New York as of December 31, 1924:

"Your Committee has examined the statement submitted by the Federal Reserve Bank of New York with its request for authority to close its books and pay the semi-annual dividends, and finds that on the basis of the bank's daily balance sheet Form 34 the estimated gross earnings will be sufficient to cover current operating expenses, the cost of furniture and equipment purchased during the year, depreciation allowances and charge offs on bank buildings and on machinery and equipment, and in addition, a small portion of the accrued dividends. The estimated earnings and proposed deductions therefrom are as follows:

Gross earnings	-	\$8,253,935.01	
Current expenses	-	<u>6,638,711.71</u>	
Current net earnings	-		\$1,615,223.30
Estimated net appreciation on foreign exchange bal.			153,486.38
Sundry adjustments	-		<u>2,800.84</u>
Total			1,771,510.52

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## "Proposed deductions:

Furniture and equipment	-	\$475,751.02	
Depreciation reserve on Annex building	-	19,600.33	
Depreciation reserve on fixed machinery and equipment - Annex	-	6,758.43	
Charge off to bring book value of main building down to replacement cost	-	870,656.24	
Earnings on self insurance fund	-	55,196.75	
Other real estate expense - taxes	-	254,285.17	
Sundry adjustments	-	9,234.25	
Total deductions	-		\$1,691,482.19
Balance available for dividends	-		80,028.33
Dividends paid June 30	-	892,254.59	
Estimated Dividends July 1 to Dec. 31	-	907,745.41	
Total dividends	-		1,800,000.00
Estimated deficit in earnings if dividends are paid in full			1,719,971.67

Your Committee finds that the deductions from current net earnings for furniture and equipment and for depreciation on bank buildings and fixed machinery and equipment are reasonable and in accordance with the Board's instructions, and recommends that they be approved.

The bank estimates that the book value of its main building is now \$870,656.24 in excess of its estimated replacement cost calculated in accordance with the Board's instructions and asks authority to charge this amount off at the end of the current year. The Board approved the recommendation contained in this Committee's memorandum of December 9 that charge offs "for the purpose of reducing the book value of bank buildings to approximate replacement cost should be made and any deficit arising from insufficient earnings should be charged to surplus account--." It is therefore recommended that the charge off of \$870,656.24 recommended by the New York bank be approved.

In case the above charge offs are authorized by the Federal Reserve Board, it will be necessary to charge practically all of the \$892,254.59 of dividends paid on June 30 to surplus account on closing of books at the end of this year as well as the dividends for the last six months if authorized. Inasmuch as the bank now has a surplus of \$59,928,967.21 your committee recommends that accrued dividends be paid in full at the end of this year and that the amount of such dividends or such portion thereof as may be necessary be charged to the surplus account. According to the statements accompanying the dividend resolution no amounts are due to the reserve bank from failed banks or banks considered in an unsafe condition."

Upon motion by Mr. Hamlin, the recommendations of the Committee were approved.

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency, with regard to adjustments recommended by the

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Directors of the Federal Reserve Bank of New York in the salaries of officers and employees at the bank and its Buffalo branch during the year 1925.

"Your Committee submits herewith the salary recommendations made by the officers and directors of the Federal Reserve Bank of New York and recommends approval of all adjustments recommended by the directors concerning the salaries of employees receiving more than \$2,500 per annum, and also recommends approval of adjustments made in the salaries of employees receiving less than \$2,500 per annum, both at the head office and branch.

The Committee has some doubt as to the propriety and justification of the proposed increases in the salaries of 5 of the officers of the parent bank and 2 of the officers of the Buffalo Branch. Therefore, it begs to submit the present and proposed official salary list of the New York bank and Buffalo Branch for direct consideration and action of the Board.

The recommendations of the bank show increases of \$5,000 in the officers' salaries and of \$16,054 in the salaries of employees receiving more than \$2,500 per annum. Increases in salaries paid to employees receiving less than \$2,500 per annum, which the bank is authorized to make without specific reference to the Federal Reserve Board total \$116,922.76, making a total increase in salaries of \$137,976.76 as recommended.

It is noted that between December 31st of last year and December 1st of the present year, there is shown a decrease of 3 officers and 77 employees in the New York bank and Buffalo branch; that the payroll for the present year will be approximately \$301,000 less than was the payroll for the year 1924; and that the estimated payroll next year, if all proposed increases are approved, will be \$4,491,373, or approximately \$125,000 less than at the beginning of the year 1924.

This indicates a reduction of 2.7% in the salaries of the bank and branch for the year 1925 against the year 1924.

Your Committee further recommends that since the budget estimate in the statistical and research department of the bank covers only the first six months of the year, that the Board's approval of salary recommendations for officers and employees in this department be also limited for a like period.

Your Committee feels that there is considerable opportunity in the New York bank for a substantial reduction in officers and employees which will evidence itself as the bank's organization becomes accustomed to operation in the new quarters, and suggests that the Board advise the officers and directors of the bank of this conclusion."

Mr. Hamlin then moved approval of the adjustments made during the year in the salaries of employees receiving \$2500 or less per annum and the recommendations made by the directors as to employees receiving more than \$2500 per annum, with the understanding that the approval in the case of employees in the statistical and research department is for six months only.

Carried.

The Board then considered individually the salaries of officers of the New York bank and its Buffalo branch as follows:

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Upon motion by Mr. James, it was voted that the salary of Pierre Jay, Federal Reserve Agent, be fixed at \$30,000 for the year 1925.

W. R. Burgess, Assistant Federal Reserve Agent; present annual salary \$7500; proposed annual salary \$8400.

Upon motion by Mr. Hamlin, it was voted to fix a salary of \$8400 for Mr. Burgess for the first six months of 1925, in accordance with the recommendation of the Committee that salaries of officers and employees in the Research and Statistical Department be approved for that period.

Wm. Dillistin, Assistant Federal Reserve Agent; present annual salary \$7800; proposed annual salary \$7800.

Upon motion, it was voted to fix a salary of \$7800 for Mr. Dillistin for the year 1925.

Carl Snyder, General Statistician; present annual salary, \$11,000; proposed annual salary, \$11,000.

Upon motion, it was voted to approve a salary of \$11,000 for Mr. Snyder.

Benjamin Strong, Governor; present annual salary \$50,000; proposed annual salary, \$50,000.

Upon motion, it was voted to approve a salary of \$50,000 for Governor Strong for the year 1925.

J. H. Case, Deputy Governor; present annual salary, \$40,000; proposed annual salary \$40,000.

Upon motion, it was voted to approve a salary of \$40,000 for Mr. Case for the year 1925.

L. F. Sailer, Deputy Governor; present annual salary, \$30,000; proposed annual salary \$30,000.

Upon motion, it was voted to approve a salary of \$30,000 for Mr. Sailer for the year 1925.

Geo. L. Harrison, Deputy Governor; present annual salary, \$25,000; proposed annual salary, \$25,000.

Upon motion, it was voted to approve a salary of \$25,000 for Mr. Harrison for the year 1925.

E. R. Kenzel, Deputy Governor; present annual salary, \$22,000; proposed annual salary, \$22,000.

Upon motion, it was voted to approve a salary of \$22,000 for Mr. Kenzel for the year 1925.

D. H. Barrows, Secretary; present annual salary, \$8500; proposed annual salary, \$8500.

Upon motion, it was voted to approve a salary of \$8500 for Mr. Barrows for the year 1925.

Randolph Mason, General Counsel; present annual salary, \$10,000; proposed annual salary, \$10,000.

Upon motion by Mr. Hamlin, it was voted to approve a salary of \$10,000 for Mr. Mason for the year 1925.

Jesse Philbin, Assistant General Counsel; present annual salary, \$6500; proposed annual salary, \$7500.

Mr. Miller moved that the Board approve a salary of \$6500 for Mr. Philbin for the year 1925.

Mr. Hamlin moved, as a substitute for Mr. Miller's motion, that the Board approve a salary of \$7500 for Mr. Philbin during the year 1925.

Mr. Hamlin's substitute motion being put by the chair was lost, the members voting as follows:

Governor Crissinger, "aye"

Mr. Platt, "aye"

Mr. Hamlin, "aye"

Mr. Miller, "no"

Mr. James, "no"

Mr. Cunningham, "no"

Mr. McIntosh "not voting"

Mr. Miller's original motion being put by the chair was unanimously carried.

L. R. Rounds, General Auditor; present annual salary, \$15,000; proposed annual salary, \$15,000.

Upon motion, it was voted to approve a salary of \$15,000 for Mr. Rounds for the year 1925.

Lawrence Hendricks, Controller of Fiscal Agency; present annual salary, \$18,000; proposed annual salary, \$18,000.

Upon motion, it was voted to approve a salary of \$18,000 for Mr. Hendricks for the year 1925.

A. W. Gilbert, Controller of Cash and Collection; present annual salary \$13,500; proposed annual salary, \$14,500.

Upon motion by Mr. Hamlin, it was voted to approve a salary of \$14,500 for Mr. Gilbert for the year 1925, the members voting as follows:



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Governor Crissinger, "aye"  
 Mr. Platt, "aye"  
 Mr. Hamlin, "aye"  
 Mr. Miller, "aye"  
 Mr. Cunningham, "no"  
 Mr. James, "no"  
 Mr. McIntosh, "not voting"

G. E. Chapin, Controller of Loans; present annual salary, \$12,000; proposed annual salary, \$12,000.

Upon motion, it was voted to approve a salary of \$12,000 for Mr. Chapin for the year 1925.

R. M. Gidney, Controller at Large; present annual salary, \$12,000; proposed annual salary, \$12,000.

Upon motion, it was voted to approve a salary of \$12,000 for Mr. Gidney for the year 1925.

J. W. Jones, Controller of Administration; present annual salary, \$11,000; proposed annual salary, \$11,000.

Upon motion, it was voted to approve a salary of \$11,000 for Mr. Jones for the year 1925.

C. H. Coe, Manager of Collection Department; present annual salary, \$9,000; proposed annual salary, \$9,000.

Upon motion, it was voted to approve a salary of \$9,000 for Mr. Coe for the year 1925.

J. E. Crane, Manager of Foreign Department and Assistant Secretary; present annual salary, \$8,000; proposed annual salary, \$8,000.

Upon motion, it was voted to approve a salary of \$8,000 for Mr. Crane for the year 1925.

E. L. Dodge, Manager, Auditing Department; present annual salary, \$7,200; proposed annual salary, \$8,000.

Upon motion by Mr. Hamlin, it was voted to approve a salary of \$8,000 for Mr. Dodge during the year 1925.

E. C. French, Manager of Cash Department; present annual salary, \$7,000; proposed annual salary, \$7500.

Upon motion by Mr. Hamlin, it was voted to approve a salary of \$7500 for Mr. French for the year 1925, Messrs. James and Cunningham voting "no".

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Howard Jefferson, Manager of Personnel Department; present annual salary, \$8,000; proposed annual salary \$8,000.

Upon motion, it was voted to approve a salary of \$8,000 for Mr. Jefferson during the year 1925.

A. K. Lauckner, Manager of Methods and Supplies Departments; present annual salary, \$5700; proposed annual salary, \$5700.

Upon motion, it was voted to approve a salary of \$5700 for Mr. Lauckner for the year 1925.

A. L. Lins, Manager of Check Department; present annual salary, \$10,000; proposed annual salary, \$10,000.

Upon motion, it was voted to approve a salary of \$10,000 for Mr. Lins for the year 1925.

W. B. Matteson, Manager of Securities and Certificate of Indebtedness; present annual salary, \$11,000; proposed annual salary, \$11,000.

Upon motion, it was voted to approve a salary of \$11,000 for Mr. Matteson for the year 1925.

J. L. Morris, Manager, Credit and Discount Department; present annual salary, \$12,000; proposed annual salary, \$12,000.

Upon motion, it was voted to approve a salary of \$12,000 for Mr. Morris for the year 1925.

H. R. Murray, Manager at Large; present annual salary, \$6,000; proposed annual salary, \$6,000.

Upon motion, it was voted to approve a salary of \$6,000 for Mr. Murray for the year 1925.

R. M. O'Hara, Manager of Investment Department; present annual salary, \$8400; proposed annual salary, \$8400.

Upon motion, it was voted to approve a salary of \$8400 for Mr. O'Hara for the year 1925.

J. M. Rice, Manager, Accounting Department; present annual salary, \$7200; proposed annual salary, \$7200.

Upon motion, it was voted to approve a salary of \$7200 for Mr. Rice for the year 1925.

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G. B. Roberts, Manager of Reports Department; present annual salary, \$5,000; proposed annual salary, \$5,000.

Upon motion, it was voted to approve a salary of \$5,000 for Mr. Roberts for the year 1925.

S. S. Vansant, Manager, Securities Custody Department; present annual salary, \$6,000; proposed annual salary, \$6,000.

Upon motion, it was voted to approve a salary of \$6,000 for Mr. Vansant for the year 1925.

I. W. Waters, Manager, Administration Department; present annual salary, \$7500; proposed annual salary, \$7500.

Upon motion, it was voted to approve a salary of \$7500 for Mr. Waters for the year 1925.

W. W. Schneckenburger, Manager, Buffalo Branch; present annual salary \$10,800; proposed annual salary, \$10,800.

Upon motion, it was voted to approve a salary of \$10,800 for Mr. Schneckenburger for the year 1925.

H. W. Snow, Cashier, Buffalo Branch; present annual salary \$6,000; proposed annual salary, \$6,000.

Upon motion, it was voted to approve a salary of \$6,000 for Mr. Snow for the year 1925.

C. Blakeslee, Assistant Cashier, Buffalo Branch; present annual salary, \$4,000; proposed annual salary, \$4,500.

Upon motion by Mr. Platt, it was voted to approve a salary of \$4500 for Mr. Blakeslee for the year 1925, Messrs. James and Cunningham voting "no".

E. L. Theobold, Assistant Cashier, Buffalo Branch; present annual salary, \$3500; proposed annual salary, \$3800.

Upon motion by Mr. Hamlin, it was voted to approve a salary of \$3800 for Mr. Theobold for the year 1925, Messrs. James and Cunningham voting "no".

The Secretary then read the following report of the Committee on Salaries,

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Expenditures and Efficiency on the subject of the closing of books of the Federal Reserve Bank of Philadelphia as of December 31, 1924:

"Your Committee has examined the statement submitted by the Federal Reserve Bank of Philadelphia with its request for authority to close its books and pay the semi-annual dividend, and finds that on the basis of the bank's daily balance sheet Form 34 the estimated gross earnings will be sufficient to cover current operating expenses, accrued dividends and other charges which the bank proposes to make against current earnings and leave a balance of about \$75,000 for transfer to surplus account.

Gross earnings	-	\$2,875,000.00	
Current expenses	-	2,168,000.00	
Current net earnings	-		\$707,000.00
Estimated appreciation on U.S. Securities	-	20,433.00	
Sundry adjustments	-	<u>1,875.19</u>	
			<u>22,308.19</u>
Total	-		\$729,308.19
Proposed deductions:			
Furniture and equipment	-	23,306.90	
Other deductions	-	<u>15,930.24</u>	
Total deductions	-		<u>39,237.14</u>
Balance available for dividends and surplus	-		690,071.05
Dividends paid June 30	-	303,338.34	
Estimated dividends July 1 to December 31	-	<u>311,794.68</u>	
Total dividends	-		<u>615,133.02</u>
Balance to be transferred to surplus	-		74,938.03

Your Committee finds that the proposed deductions from current net earnings are in accordance with the Board's instructions and recommends that they be approved. It is also recommended that the bank be authorized to pay the usual semi-annual dividends on December 31.

The Philadelphia bank reports unpaid indebtedness of failed banks as \$35,093.79, and estimates that it will have a probable loss on account thereof of \$1,011.54. The bank does not report any indebtedness of banks considered to be in an unsafe condition and has not requested authority to set up any reserves to cover probable losses on paper of failed banks."

Upon motion of Mr. Hamlin, the recommendations of the Committee were approved.

The Secretary then read the following report of the Committee on Salaries, Expenditures, and Efficiency with regard to salary adjustments submitted by the Directors of the Federal Reserve Bank of Philadelphia for the year 1925.

"Your Committee presents herewith the recommendations as to salary adjustments submitted by the officers and directors of the Federal Reserve Bank of Philadelphia, and recommends approval of all save one of the recommendations made, as to employees receiving more than \$2,500 per annum and as to all employees receiving less than \$2,500 per annum.

The Committee has some doubt as to the propriety and justification of the proposed increase in the salary of one of the officers. Therefore, it begs to submit the present and proposed official salary list of the Philadelphia bank for direct consideration and action of the Board.

The Director of the Board's Division of Research and Statistics suggests that the present salary of \$8,000 per annum of Arthur E. Post be continued at the present rate for at least the first six months of 1925. (Mr. Post's salary was increased from \$7,000 to \$8,000 January 1, 1921). The same recommendation applies to J. F. Rehruess, Manager, F. R. Agent's Statistical Department.

Your Committee further recommends that since the budget estimate for the Statistical and Research Department of the bank covers only the first six months of the year that the Board's approval of salary recommendations for officers and employees in this department be also limited to a like period.

The Committee finds that the annual payroll for Philadelphia on January 1, 1924, was \$1,290,061 for 836 officers and employees. Including the increases which have taken place during the year in the salaries of employees receiving less than \$2,500 per annum, the suggested increases for employees receiving in excess of \$2,500 per annum and of the officers, the payroll on January 1, 1925, would be \$1,240,808 for 792 officers and employees.

This shows a reduction of \$49,253.00 for the year in dollars and 44 in the number of officers and employees. The reduction in the salaries as proposed for 1925 is 3.82% of the salaries recommended for 1924.

Your Committee is of the opinion that the Federal Reserve Bank of Philadelphia is over-organized and over-manned and that a careful survey of the organization by the officers and directors of the bank could accomplish a further reduction in both the number of officers and employees.

For the information of the Board, attention is called to the fact that Boston is operating with four Assistant Cashiers whereas the Philadelphia bank has six. Boston has a total of 688 employees as against 780 in the Philadelphia bank. It is difficult for the Committee to justify these differences."

Mr. Hamlin then moved approval of the adjustments made during the year in the salaries of employees receiving \$2,500 or less per annum and the recommendations made by the Directors as to employees receiving more than \$2,500 per annum with the exception of that for Mr. J. F. Rehfuss, Manager of the Federal Reserve Agents' Statistical Department, which should be approved at the present figure (\$4,000 per annum) for the first six months of the year with the understanding that the approval in the case of all other employees in the Statistical and Research Department is for six months only.

Carried.

After discussion of the statement of the Committee that the Federal Reserve Bank of Philadelphia is over-organized and over-manned and that a careful survey of the organization by the officers and directors of the bank could accomplish a further reduction in both the number of officers and employees, Mr. Hamlin moved -

"That the Board send back the official salary list of the Federal Reserve Bank of Philadelphia, with the comments of the Committee that the bank is over-organized and over-manned and that the official salary list will have to be adjusted before it is approved by the Board."

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

Mr. Hamlin "aye"  
Mr. James "aye"  
Mr. Cunningham "aye"  
Mr. McIntosh "aye"  
Governor Crissinger "no"  
Mr. Platt "no"  
Mr. Miller "no"

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency on the subject of the closing of books of the Federal Reserve Bank of Cleveland, as of December 31, 1924.

"Your Committee has examined the statement submitted by the Federal Reserve Bank of Cleveland with its request for authority to close its books and pay the semi-annual dividend, and finds that on the basis of the bank's daily balance sheet Form 34 the estimated

gross earnings will be sufficient to cover operating expenses, the cost of furniture and equipment purchased during the year, and depreciation allowances on bank buildings and on machinery and equipment. Such earnings will not be sufficient, however, to cover also the proposed charge off on the Cleveland building to reduce its book value to estimated replacement cost nor to pay accrued dividends in full. The estimated earnings and proposed deductions therefrom are as follows:

Gross earnings.....	\$3,659,345
Current expenses.....	2,683,145
Current net earnings.....	\$976,200
Estimated appreciation on United States securities	21,612
Net income - other real estate.....	10,956
Sundry adjustments.....	<u>5,100</u>
Total.....	1,013,868

Proposed deductions:

Furniture and equipment.....	99,695.48
2% reserve on bank building at Cleveland.....	92,551.17
2% reserve on bank building at Pittsburgh.....	11,393.07
Charge off incidental Architects' ex- penses Cleveland building.....	6,678.26
Charge off on Cleveland building to reduce to replacement cost.....	1,141,055.27
10% reserve on fixed machinery and equipment at Cleveland.....	243,867.89
10% reserve on fixed machinery and equipment at Pittsburgh.....	13,899.45
Other deductions.....	<u>6,500.00</u>
Total deductions.....	<u>1,615,640.59</u>
Deficit in earnings if all of above charges are made.....	601,772.59
Dividends paid June 30.....	374,791.34
Estimated dividends July 1 to December 31.....	<u>381,360.66</u>
Total dividends.....	<u>756,152.00</u>
Deficit in earnings if all of above charges in- cluding dividend payments are made.....	1,357,924.59

The proposed reserves on buildings and on fixed machinery and equipment at Cleveland and Pittsburgh and the charge off of the cost of furniture and equipment purchased during the year are in accordance with the Board's instructions except that the reserve on fixed machinery and equipment at Cleveland includes a charge of \$89,733.89 to supplement the charge of \$64,400.11 made in 1923, at which time the full allowance of 10% permissible under the Board's instructions was not requested. It is recommended that reserves on buildings and on fixed machinery and equipment and the charge off for furniture and equipment be approved as requested by the bank.

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The proposed charge off on the Cleveland building of \$1,141,055.27, together with the charge off of incidental architects' expenses amounting to \$6,678.26, would reduce the book value of the Cleveland building to its estimated replacement cost prior to the ordinary 2% depreciation allowance previously mentioned. The Board approved the recommendation contained in this committee's memorandum of December 9, 1924, that "charge offs for the purpose of reducing book value of bank buildings to approximate replacement cost should be made and any deficit arising from insufficient earnings should be charged to surplus account - - -." It is therefore recommended that these proposed charge offs be approved.

In case the above charge offs are authorized by the Federal Reserve Board, it will be necessary to charge approximately \$602,000 to the surplus account as the proposed deductions amount to \$1,615,640.59 and the available earnings are estimated at only \$1,013,868. It will also be necessary to charge the dividend of \$374,791.34 paid on June 30, 1924, to surplus account as well as the dividend of \$381,000 for the last six months in case this payment is authorized by the Board. If dividends are paid in full and all the requested charge offs and reserves are authorized, it will necessitate a charge to the bank's surplus account of approximately \$1,358,000. Inasmuch as the bank now has a surplus of \$23,691,137.57, your committee recommends that accrued dividends be paid in full at the end of this year, and that the amount there of be charged to the bank's surplus account.

According to the statements accompanying the dividend resolution no amounts are due to the reserve bank from failed banks or banks considered to be in an unsafe condition."

Upon motion of Mr. Hamlin it was voted  
to approve the recommendations of the Committee.

At this point, Mr. McIntosh left the meeting.

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency with regard to adjustments recommended by the directors of the Federal Reserve Bank of Cleveland in the salaries of officers and employees of the bank and its Pittsburgh and Cincinnati branches during the year 1925:

"Your Committee presents herewith the recommendations as to salary adjustments submitted by the officers and directors of the Federal Reserve Bank of Cleveland, and recommends the approval



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with one exception of said adjustments.

The Committee finds that the annual payroll for Cleveland and its two branches on January 1, 1924, was \$1,806,551 for 1,133 employees. Including the anniversary increases, which have been made during the year, and the suggested increases for employees receiving in excess of \$2,500 per annum and the officers, the payroll on January 1, 1925, will be \$1,640,938 for 965 employees.

This shows a reduction of \$165,613 for the year in dollars and 168 in the number of employees. The reduction in salaries as proposed for 1925 is 9.1% of the salaries as recommended for 1924.

The exception which the Committee has made in its recommendation of approval arises out of the recommendation made by the Cleveland bank that the salary of Mr. DeCamp, Manager of the Pittsburgh Branch, be fixed at \$13,200 for 1925, which is an increase of \$1,200 over his present salary. In the letter of transmittal, Chairman Wills says 'our Board concurs in the recommendation from the directors of the Pittsburgh Branch regarding the salary of Mr. DeCamp, but it is not included in the list because of the action of the Federal Reserve Board last year wherein it was stated that the maximum salary of any branch manager should not exceed \$12,000 per year.' The Committee, therefore, submits the question of Mr. DeCamp's salary without further comment or recommendation.

Your Committee further recommends that since the budget estimate for the statistical and research department of the bank covers only the first six months of the year, that the Board's approval of salary recommendations for officers and employees in this department be also limited to a like period."

Upon motion, it was voted to approve adjustments made during the year in the salaries of employees receiving \$2,500 or less per annum and the recommendations made by the directors as to employees receiving more than \$2,500 per annum, with the understanding that the approval in the case of employees in the statistical and research department is for six months only.

The Board then considered individually the salaries of officers as follows:

E. R. Fancher, Governor, present annual salary, \$30,000; proposed annual salary, \$30,000.

Upon motion, it was voted to approve a salary of \$30,000 for Governor Fancher during the year 1925.

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M. J. Fleming, Deputy Governor, present annual salary, \$15,000; proposed annual salary, \$15,000.

Upon motion, it was voted to approve a salary of \$15,000 for Mr. Fleming during the year 1925.

F. J. Zurlinden, Deputy Governor, present annual salary, \$15,000; proposed annual salary, \$15,000.

Upon motion, it was voted to approve a salary of \$15,000 for Mr. Zurlinden during the year 1925.

J. C. Nevin, Cashier-Secretary, present annual salary, \$12,000; proposed annual salary, \$12,000.

Upon motion, it was voted to approve a salary of \$12,000 for Mr. Nevin during the year 1925.

C. W. Arnold, Assistant Cashier, present annual salary, \$7,000; proposed annual salary, \$7,000.

Upon motion, it was voted to approve a salary of \$7,000 for Mr. Arnold during the year 1925.

C. L. Bickford, Assistant Cashier, present annual salary, \$6,000; proposed annual salary, \$6,300.

Upon motion by Mr. Hamlin, it was voted to approve a salary of \$6,300 for Mr. Bickford during the year 1925, Messrs. James and Cunningham voting "no".

D. B. Clouser, Assistant Cashier, present annual salary, \$6,000; proposed annual salary \$6,300.

Upon motion by Mr. Hamlin, it was voted to approve a salary of \$6,300 for Mr. Clouser during the year 1925, Messrs. James and Cunningham voting "no".

H. F. Strater, Assistant Cashier, present annual salary \$7,500; proposed annual salary, \$8,000.

Upon motion by Mr. Hamlin, it was voted to approve a salary of \$8,000 for Mr. Strater during the year 1925, Messrs. James and Cunningham voting "no".

W. F. Taylor, Assistant Cashier, present annual salary, \$7,000,

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proposed annual salary, \$7,000.

Upon motion, it was voted to approve a salary of \$7,000 for Mr. Taylor during the year 1925.

Geo. H. Wagner, Assistant Cashier, present annual salary, \$6,500; proposed annual salary, \$6,500.

Upon motion, it was voted to approve a salary of \$6,500 for Mr. Wagner during the year 1925.

W. H. Fletcher, Assistant Federal Reserve Agent, present annual salary, \$6,500; proposed annual salary, \$7,000.

Upon motion by Mr. Hamlin, it was voted to fix the salary of Mr. Fletcher at \$7,000 during the year 1925.

J. B. Anderson, Assistant Federal Reserve Agent, present annual salary \$4,800; proposed annual salary, \$5,000.

Upon motion by Mr. James, it was voted to fix the salary of Mr. Anderson at \$5,000 for the first six months of the year 1925, in accordance with the recommendation of the Committee.

F. V. Grayson, Auditor, present annual salary, \$7,000; proposed annual salary, \$7,000.

Upon motion, it was voted to approve a salary of \$7,000 for Mr. Grayson during the year 1925.

G. A. Stephenson, Assistant Secretary, present annual salary, \$5,700; proposed annual salary, \$5,700.

Upon motion, it was voted to approve a salary of \$5,700 for Mr. Stephenson during the year 1925.

George DeCamp, Manager, Pittsburgh Branch, present annual salary, \$12,000; proposed annual salary, \$13,200.

Mr. Hamlin moved that the Board suspend in this case the limitation of \$12,000 which was put on the salaries of branch managers last year and approve a salary of \$13,200 for Mr. DeCamp during the year 1925.

Mr. Hamlin's motion being put by the chair was lost, the members voting as follows:

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

Upon motion by Mr. Miller, it was then voted to approve a salary of \$12,000 for Mr. DeCamp during the year 1925.

Thomas C. Griggs, Cashier, Pittsburgh Branch; present annual salary, \$8,400; proposed annual salary, \$8,400.

Upon motion, it was voted to approve a salary of \$8,400 for Mr. Griggs during the year 1925.

Percy A. Brown, Assistant Cashier, Pittsburgh Branch, present annual salary, \$5,400; proposed annual salary, \$5,600.

Upon motion by Mr. James, it was voted to approve a salary of \$5,600 for Mr. Brown during the year 1925.

Frank E. Cobun, Assistant Cashier, Pittsburgh Branch, present annual salary, \$4,500; proposed annual salary, \$4,700.

Upon motion by Mr. James, it was voted to approve a salary of \$4,700 for Mr. Cobun during the year 1925.

Thomas M. Jones, Assistant Federal Reserve Agent, Pittsburgh Branch, present annual salary, \$5,000; proposed annual salary, \$5,000.

Upon motion, it was voted to fix the salary of Mr. Jones at \$5,000 for the year 1925.

Raymond Armor, Assistant Auditor, Pittsburgh Branch, present annual salary, \$3,320; proposed annual salary, \$3,500.

Upon motion by Mr. James, it was voted to approve a salary of \$3,500 for Mr. Armor during the year 1925.

L. W. Manning, Manager, Cincinnati Branch, present annual salary, \$10,000; proposed annual salary, \$10,000.

Upon motion, it was voted to approve a salary of \$10,000 for Mr. Manning during the year 1925.

B. J. Lazar, Cashier, present annual salary, \$7,000; proposed annual salary, \$7,000.

Upon motion, it was voted to approve a salary of \$7,000 for Mr. Lazar during the year 1925.

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John P. H. Brewster, Assistant Cashier, Cincinnati Branch, present annual salary \$4,200; proposed annual salary, \$4,500.

Upon motion by Mr. James, it was voted to approve a salary of \$4,500 for Mr. Brewster during the year 1925.

Henry N. Ott, Assistant Cashier, Cincinnati Branch, present annual salary, \$4,200; proposed annual salary, \$4,500.

Upon motion by Mr. James, it was voted to approve a salary of \$4,500 for Mr. Ott during the year 1925.

P. J. Faulkner, Assistant Federal Reserve Agent, Cincinnati Branch; present annual salary, \$3,300; proposed annual salary, \$3,300.

Upon motion, it was voted to fix Mr. Faulkner's salary at \$3,300 for the year 1925.

B. Kennelly, Assistant Auditor, Cincinnati Branch, present annual salary \$3,660; proposed annual salary, \$3,800.

Upon motion by Mr. James, it was voted to approve a salary of \$3,800 for Mr. Kennelly during the year 1925.

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency on the subject of the closing of books of the Federal Reserve Bank of Atlanta, as of December 31, 1924:

"Your committee has examined the statement submitted by the Federal Reserve Bank of Atlanta with its request for authority to close its books and pay the semi-annual dividend, and finds that on the basis of the bank's daily balance sheet Form 34 the estimated gross earnings will be sufficient to cover current operating expenses, the cost of furniture and equipment purchased during the year, depreciation allowances on its bank buildings and on machinery and equipment, proposed addition to reserve for probable losses, and in addition, the greater part of the dividends accrued to the end of the year. The estimated earnings and proposed deductions therefrom are as follows:

Gross earnings	-	\$1,922,466.01	
Current expenses	-	<u>1,241,333.53</u>	
Current net earnings	-		\$681,132.48
Profit and Loss	-		<u>10,000.00</u>
Total	-		691,132.48

Proposed deductions:

Furniture and Equipment	-	17,192.43
2% reserve on bank premises at Atlanta	-	20,017.29
2% reserve on bank building at Nashville	-	2,875.79

2% reserve on bank building at New Orleans -	\$11,527.08	
Chargeoff on bank building at Jacksonville to reduce to replacement cost -	22,305.19	
10% reserve on fixed machinery and equipment at Atlanta -	17,345.26	
10% reserve on fixed machinery and equipment at Jacksonville -	2,595.61	
10% reserve on fixed machinery and equipment at Nashville -	2,510.06	
10% reserve on fixed machinery and equipment at New Orleans -	15,757.97	
Reserve for probable losses -	<u>344,132.42</u>	
Total deductions -		456,259.10
Balance available for dividends -		234,873.38
Dividends paid June 30 -	135,197.43	
Estimated dividends July 1 to December 31 -	<u>137,507.73</u>	
Total dividends -		272,705.16
Deficit in earnings if all of above charges are made -		37,831.78

"Your committee finds that the deductions from current net earnings for furniture and equipment and for depreciation on bank buildings and on fixed machinery and equipment are reasonable and in accordance with the Board's instructions and recommends that they be approved."

"The Federal Reserve Bank of Atlanta reports losses of \$474,132.42 on paper of failed banks and estimates that probable additional losses on this account will amount to \$360,000. It also states that probable losses on paper of banks considered in an unsafe condition are estimated at \$250,000, making a total of \$1,084,132.42 of probable losses on account of paper of failed banks and banks considered in an unsafe condition. The bank now carries a reserve of \$740,000 to cover such losses and asks authority to set up an additional reserve of \$344,132.42.

"It is recommended that the bank be authorized to pay all accrued dividends in full and to set up the balance of its remaining net earnings, after deduction of dividends and of any other amounts that may be authorized, as an additional reserve to cover probable losses on paper of failed banks, and that it be advised that it will not be the policy of the Federal Reserve Board to authorize Federal reserve banks to make charges against the surplus account for the purpose of setting up reserves to cover probable future losses the amount of which has not yet been definitely determined."

Upon motion by Mr. James, the recommendations of the Committee were approved.

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency with regard to salary adjustments submitted by the directors of the Federal Reserve Bank of Atlanta, for the officers and employees of the bank and its Birmingham, Nashville, Jacksonville and New Orleans branches,

and Havana and Savannah Agencies, during the year 1925:

"Your Committee presents herewith the recommendations as to salary adjustments submitted by the officers and directors of the Federal Reserve Bank of Atlanta and recommends approval of all adjustments made as to employees receiving less than \$2,500 per annum, and likewise recommends approval of the recommendations made as to all employees receiving more than \$2,500 per annum.

"The bank submits the following changes in regard to salaries of the officers of the organization:

1. M. W. Bell, Cashier, home office, present salary \$7,000, proposed salary \$6,000.
2. H. J. Urquhart, Assistant Cashier, Birmingham Branch, present salary \$2,400, proposed salary \$3,000.
3. E. C. Huggins, Jr., Cashier, Nashville Branch, present salary \$2,700, proposed salary \$3,000.

"The Committee recommends approval of these proposed adjustments in officers' salaries.

"The Committee notes that the bank holds, effective April 1, 1925, the resignations of J. M. Slattery, Manager of Bank and Public Relations Department of the parent bank, salary \$6,000 per annum, W. H. Toole, Manager, Fiscal Agency Department of the parent bank, salary \$6,000 per annum, and L. C. Adelson, Manager, Havana Agency, salary \$16,000 per annum, making total salaries of \$28,000.

"The Committee also notes that effective January 1, 1925, the salary of W. R. Patterson, at the home office will be reduced from \$4,200 to \$3,600 per annum, the arrangement to be made being in the nature of a transfer from the office of Assistant Cashier to the position of traveling representative.

"These reductions will have the effect of reducing the official salary list of the Atlanta bank \$29,600 by and as of April 1, 1925.

"Your Committee further recommends that since the budget estimate for the statistical and research department of the bank covers only the first six months of the year, that the Board's approval of the salary recommendations for officers and employees in this department be also limited to a like period.

"The Committee finds that the annual payroll of the Atlanta bank, its branches and agencies, on January 1, 1924, was \$733,788 covering 472 officers and employees. Including the increases which have taken place during the year in the salaries of employees receiving less than \$2,500, and the suggested increases for officers and employees effective January 1, 1925, the payroll on January 1, 1925 would be \$672,068 for 399 officers and employees.

"This shows a reduction of \$61,720 in dollars and 73 in the number of officers and employees. The reduction in salaries as proposed for 1925 as against 1924 is 8.41%.

"The Committee recommends that the Board give official recognition and approval of the voluntary efforts now being made and the results accomplished by the officers and directors of the Atlanta bank in the way of promoting economy and efficiency in the organization."

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Upon motion, it was voted to approve the adjustments made during the year in the salaries of employees receiving \$2,500 or less per annum and the recommendations made by the directors as to employees receiving more than \$2,500 per annum, with the understanding that the approval in the case of employees in the statistical and research department is for six months only.

The Board then considered individually the salaries of officers, as follows:

M. B. Wellborn, Governor, present annual salary \$20,000, proposed annual salary \$20,000.

Upon motion, it was voted to approve a salary of \$20,000 for Mr. Wellborn during the year 1925.

J. L. Campbell, Deputy Governor, present annual salary \$12,000; proposed annual salary, \$12,000.

Upon motion, it was voted to approve a salary of \$12,000 for Mr. Campbell during the year 1925.

Creed Taylor, Deputy Governor, present annual salary, \$9,000; proposed annual salary, \$9,000.

Upon motion, it was voted to approve a salary of \$9,000 for Mr. Taylor during the year 1925.

Ward Albertson, Assistant Federal Reserve Agent and Secretary, present annual salary \$6,500, proposed annual salary, \$6,500.

Upon motion, it was voted to fix Mr. Albertson's salary at \$6,500 during the year 1925.

M. W. Bell, Cashier, present annual salary \$7,000, proposed salary, \$6,000.

Upon motion, it was voted to approve a salary of \$6,000 for Mr. Bell during the year 1925.

W. S. Johns, General Auditor, present annual salary \$6,000; proposed annual salary, \$6,000.

Upon motion, it was voted to approve a salary of \$6,000 for Mr. Johns during the year 1925.



J. W. Honour, Assistant Auditor, present annual salary, \$3,300; proposed annual salary \$3,300.

Upon motion, it was voted to approve a salary of \$3,300 for Mr. Honour during the year 1925.

W. H. Toole, Manager, Fiscal Agency Department, present annual salary \$6,000; proposed annual salary, \$500 per month, pending resignation effective April 1, 1925.

Upon motion, it was voted to approve a salary of \$500 per month for Mr. Toole for the first three months of the year 1925.

Randolph & Parker, General Counsel, present annual salary \$5,000; proposed annual salary \$5,000 (including salary of 1 stenographer at \$1,500 per annum.)

At the request of Mr. Hamlin, Chairman of the Law Committee, it was voted to defer action on the salary of Randolph & Parker.

H. F. Conniff, Assistant Cashier, present annual salary \$4,200; proposed annual salary, \$4,200.

Upon motion, it was voted to approve a salary of \$4,200 for Mr. Conniff during the year 1925.

J. B. Tutwiler, Assistant Cashier, present annual salary \$4,200, proposed annual salary, \$4,200.

Upon motion, it was voted to approve a salary of \$4,200 for Mr. Tutwiler during the year 1925.

R. A. Sims, Assistant Cashier, present annual salary \$4,200; proposed annual salary, \$4,200.

Upon motion, it was voted to approve a salary of \$4,200 for Mr. Sims during the year 1925.

W. R. Patterson, Assistant Cashier, present annual salary \$4,200, proposed annual salary \$3,600 (to be transferred to position of traveling representative, Bank Relations Department, effective January 1, 1925).

Upon motion, it was voted to approve a salary of \$3,600 for Mr. Patterson during the year 1925.

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J. M. Slattery, Manager, Bank and Public Relations Department, present annual salary \$6,000; proposed salary \$500 per month, pending resignation effective April 1, 1925.

Upon motion, it was voted to approve a salary of \$500 per month for Mr. Slattery for the first three months of the year 1925.

A. E. Walker, Manager, Birmingham Branch, present annual salary, \$6,000; proposed annual salary, \$6,000.

Upon motion, it was voted to approve a salary of \$6,000 for Mr. Walker during the year 1925.

H. J. Urquhart, Assistant Cashier, Birmingham Branch, present annual salary, \$2,400; proposed annual salary, \$3,000, (Elected Cashier effective January 1, 1925.)

Upon motion by Mr. James, it was voted to approve a salary of \$3,000 for Mr. Urquhart during the year 1925.

T. N. Knowlton, Chief Clerk, Birmingham Branch; present annual salary, \$2,040; proposed annual salary, \$2,220. (Elected Assistant Cashier effective January 1, 1925.)

Noted.

G. R. DeSaussure, Manager, Jacksonville Branch, present annual salary, \$5,500; proposed annual salary, \$5,500.

Upon motion, it was voted to approve a salary of \$5,500 for Mr. DeSaussure during the year 1925.

W. S. McLarin, Jr., Cashier, Jacksonville Branch, present annual salary \$3,600; proposed annual salary, \$3,600.

Upon motion, it was voted to approve a salary of \$3,600 for Mr. McLarin during the year 1925.

Joel B. Fort, Jr., Manager, Nashville Branch, present annual salary, \$4,500, proposed annual salary, \$4,500.

Upon motion, it was voted to approve a salary of \$4,500 for Mr. Fort during the year 1925.

E. C. Huggins, Jr., Cashier, Nashville Branch, present annual salary, \$2,700; proposed annual salary, \$3,000.

Upon motion by Mr. James, it was voted to approve a salary of \$3,000 for Mr. Huggins during the year 1925.

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Marcus Walker, Manager, New Orleans Branch, present annual salary, \$12,000; proposed annual salary, \$12,000.

Upon motion, it was voted to approve a salary of \$12,000 for Mr. Walker during the year 1925.

W. H. Black, Assistant Manager, New Orleans Branch, present annual salary \$5,700; proposed annual salary, \$5,700.

Upon motion, it was voted to approve a salary of \$5,700 for Mr. Black during the year 1925.

J. A. Walker, Cashier, New Orleans Branch, present annual salary \$5,300, proposed annual salary \$5,300.

Upon motion, it was voted to approve a salary of \$5,300 for Mr. Walker during the year 1925.

F. C. Vasterling, Assistant Cashier, New Orleans Branch, present annual salary \$3,120, proposed annual salary \$3,120.

Upon motion, it was voted to approve a salary of \$3,120 for Mr. Vasterling during the year 1925.

Lawson Brown, Auditor and Assistant Federal Reserve Agent, present annual salary \$4,000, proposed annual salary, \$4,000.

Upon motion, it was voted to fix a salary of \$4,000 for Mr. Brown during the year 1925.

R. N. Groover, Manager, Savannah Agency, present annual salary \$4,000; proposed annual salary, \$4,000.

Upon motion, it was voted to approve a salary of \$4,000 for Mr. Groover during the year 1925.

D. E. Avery, Assistant Manager, Savannah Agency, present annual salary \$2,400, proposed annual salary, \$2,400.

Noted.

L. C. Adelson, Manager, Havana Agency, present annual salary, \$16,000; proposed salary \$1,333.33 per month, pending resignation effective April 1, 1925.

Upon motion, it was voted to approve a salary of \$1,333.33 per month for Mr. Adelson for the first three months of the year 1925.

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L. L. Magruder, Assistant Manager, Havana Agency, present annual salary \$4,200; proposed annual salary, \$4,200.

Upon motion, it was voted to approve a salary of \$4,200 for Mr. Magruder during the year 1925.

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency, on the subject of the closing of books of the Federal Reserve Bank of Chicago, as of December 31, 1924:

"Your committee has examined the statement submitted by the Federal Reserve Bank of Chicago with its request for authority to close its books and pay the semi-annual dividend, and finds that on the basis of the bank's daily balance sheet Form 34 the estimated gross earnings will be sufficient to cover current operating expenses, accrued dividends, and other charges which the bank proposes to make against current net earnings. The estimated earnings and proposed deductions therefrom are as follows:

Gross earnings	-	\$5,125,000.00	
Current expenses	-	<u>3,950,000.00</u>	
Current net earnings	-		\$1,175,000.00
Reserve for probable losses set aside on December 31, 1923	-	400,000.00	
Recoveries suspended banks	-	157,372.19	
Appreciation on U. S. securities	-	21,370.00	
Sundry adjustments	-	<u>3,800.00</u>	
Total	-		<u>582,542.19</u> 1,757,542.19
Proposed deductions:			
Furniture and equipment	-	12,000.00	
2% reserve on bank building at Chicago	-	90,996.72	
6 2/3% reserve on fixed machinery and equipment	-	74,200.00	
Claims against failed banks (1924 failures)	-	610,139.29	
Other deductions	-	<u>4,200.00</u>	
Total deductions	-		<u>791,536.01</u>
Balance available for dividends, surplus, and franchise tax	-		966,006.18
Dividend paid June 30	-	453,699.25	
Estimated dividend July 1 to December 31	-	<u>455,000.00</u>	
Total dividends	-		<u>908,699.25</u>
Available for surplus and franchise tax	-		57,306.93
To be transferred to surplus	-		<u>5,730.69</u>
Payable as a franchise tax	-		51,576.24

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"Your committee finds that the deductions from current net earnings for furniture and equipment and for depreciation on bank buildings and on fixed machinery and equipment are reasonable and in accordance with the Board's instructions and recommends that they be approved.

"In accordance with its previous practice the Chicago bank asks authority to charge off the entire net indebtedness of failed banks, amounting to \$610,139.29 and to credit back to profit and loss the reserve of \$400,000 for probable losses set aside at the end of 1923, and also to credit profit and loss with \$157,372.19 collected during the year on paper previously charged off in full. It is the practice at all other Federal Reserve banks to set up reserves to cover probable losses and to charge the reserve with losses when the amounts thereof have been definitely determined, and it is recommended that the Chicago bank be required to follow the same practice. It is therefore recommended that the Chicago bank be authorized to pay all accrued dividends in full, that it be instructed to transfer the \$157,372.19 now carried as recoveries from suspended banks to its present reserve for probable losses and that it be authorized to charge its current earnings and to transfer to its reserve for probable losses an additional amount of \$52,767.10 or thereabouts, which will bring the reserve up to \$610,139.29, which it has asked authority to charge off.

"It is also recommended that the bank be advised that it will not be the policy of the Federal Reserve Board to authorize Federal reserve banks to make charges against the surplus account for the purpose of setting up reserves to cover future losses, the amount of which has not yet been ascertained."

Upon motion by Mr. Platt, the recommendations of the Committee were approved.

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency with regard to salary adjustments submitted by the Directors of the Federal Reserve Bank of Chicago for the officers and employees of the bank and its Detroit branch for the year 1925.

"Your Committee presents herewith the recommendations as to salary adjustments submitted by the officers and directors of the Federal Reserve Bank of Chicago, and recommends approval of all adjustments made as to employees receiving less than \$2,500 per annum. Your Committee likewise recommends the approval of the proposed salary increases for employees receiving more than \$2,500 per annum, with the exception of the proposed salary increase for A. Olson, Confidential Secretary, from \$3,600 to \$4,000 per annum. The Committee recommends disapproval of this recommendation.

"The Committee has considerable doubt as to the propriety and justification of the proposed increases in the salaries of the officers

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"and feels that the Board, as a whole, should give careful consideration to the entire official salary list of the Chicago bank and Detroit Branch, as well as to the general set up of the official organization, which to the minds of the Committee, seems unnecessarily elaborate both as to the Chicago and Detroit offices.

The Director of the Board's Division of Research and Statistics suggests that the present salary of \$6,500 per annum for F. M. Huston, Manager of the Research and Statistics Division of the Chicago bank be continued at the present rate for the first six months of 1925.

Your Committee further recommends that since the budget estimate for the statistical and research department of the bank covers only the first six months of the year, that the Board's approval of salary recommendations for officers and employees in this department be also limited to a like period.

The Committee finds that the annual payroll of the Chicago bank and Detroit Branch on January 1, 1924, was \$2,801,380 for 1,726 officers and employees. Including the increases which have taken place during the year and the suggested increases for officers and employees effective January 1, 1925, the payroll on January 1, 1925 would be \$2,542,485 for 1,440 officers and employees.

This shows a reduction of \$258,895 in dollars and 286 in the number of officers and employees. The reduction in salaries as proposed for 1925 as against those recommended for 1924 amounts to 9.24%.

Your Committee is of the opinion that the Federal Reserve Bank of Chicago and its branch at Detroit is considerably over-organized and over-manned, and that the directors and officers of the bank should make a careful survey of the organization with a view of accomplishing a further reduction in both the number of officers and employees.

Mr. Hamlin then moved approval of the adjustments made during the year in the salaries of employees receiving \$2,500 or less per annum and the recommendations made by the Directors as to employees receiving more than \$2,500 per annum with the exception of that for A. Olson, Confidential Secretary to the Governor, which should be approved at the present figure, \$3,600; with the understanding that the approval

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in the case of employees in the Statistical and Research Department is for six months only.

Carried.

After discussion of the statement of the Committee that the Federal Reserve Bank of Chicago and its Detroit branch are considerably over-organized and over-manned and that the directors and officers of the bank should make a careful survey of the organization with a view of accomplishing a further reduction in both the number of officers and employees, Mr. Hamlin moved -

"That the Board send back the official salary list of the Federal Reserve Bank of Chicago with the comments of the Committee that the bank and its branch are over-organized and over-manned, and that the official salary lists will have to be adjusted before they are approved by the Board.

Mr. Hamlin's motion being put by the Chair was carried, Messrs. Platt and Miller voting "no".

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency on the subject of the closing of books of the Federal Reserve Bank of Dallas as of December 31, 1924.

"Your Committee has examined the statement submitted by the Federal Reserve Bank of Dallas with its request for authority to close its books and pay the semi-annual dividend, and finds that on the basis of the bank's daily balance sheet Form 34 the estimated gross earnings will be sufficient to cover current operating expenses, accrued dividends, and other charges which the bank now proposes to make against current earnings. The estimated earnings and proposed deductions therefrom are as follows:

Gross earnings. . . . .	\$2,138,057.56
Current expenses. . . . .	<u>1,330,607.13</u>
Current net earnings. . . . .	\$807,450.43
Sundry adjustments. . . . .	<u>31,006.83</u>
Total . . . . .	838,457.26

## Proposed deductions:

Furniture and equipment . . . . .	9,154.95
2% reserve on bank building at Dallas . . . . .	18,593.53
2% reserve on bank building at El Paso. . . . .	1,845.26
2% reserve on bank building at Houston. . . . .	5,629.97
Reserve on fixed machinery and equipment at Dallas. . . . .	13,269.06
Reserve on fixed machinery and equipment at El Paso. . . . .	592.03
Reserve on fixed machinery and equipment at Houston. . . . .	2,590.14
Reserve for probable losses . . . . .	500,000.00
Other deductions. . . . .	<u>207.95</u>
Total deductions. . . . .	<u>551,882.89</u>
Balance available for dividends and surplus . . . . .	286,574.37
Dividends paid June 30. . . . .	125,549.40
Estimated dividends July 1 to December 31 . . . . .	<u>124,186.56</u>
Total dividends . . . . .	<u>249,735.96</u>
Balance to be transferred to surplus. . . . .	36,838.41

Your committee finds that the proposed deductions from current net earnings for furniture and equipment and for depreciation on bank buildings and on fixed machinery and equipment are reasonable and recommends that they be authorized. The building at Houston is now carried at \$270,286.50, although its estimated replacement cost is only \$233,688.05. It is therefore recommended that the Dallas bank be advised that in keeping with the Board's policy of having the balance sheet of the bank represent true values, the Board would suggest that the book value of the Houston building be written down to its estimated replacement cost on the closing of books at the end of this year and that in the future the 2 per cent depreciation reserve be based on the replacement cost of the building.

The Federal Reserve bank estimates that its probable losses on account of failed banks will amount to \$1,519,500. The bank has therefore requested authority to increase its present reserve for probable losses of \$1,028,621 by \$500,000, and your committee recommends that the additional reserve be authorized by the Board. Little or no loss is anticipated by the Dallas bank on paper of banks considered to be in an over-extended or unsafe condition.

As the earnings of the Federal reserve bank are sufficient to cover all proposed charges including accrued dividends, it is recommended that the payment of the semi-annual dividend be authorized and that the balance of net earnings remaining, if any, be transferred to its surplus account."



Upon motion by Mr. Hemlin the recommendations of the Committee were approved.

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency, with regard to adjustments recommended by the Directors of the Federal Reserve Bank of Dallas in the salaries of officers and employees at the bank and its El Paso and Houston Branches during the year 1925.

"Your Committee presents herewith the recommendations as to salary adjustments submitted by the officers and directors of the Federal Reserve Bank of Dallas and recommends approval of all adjustments made as to employees receiving less than \$2,500 per annum, and also to approve the recommendations made as to employees receiving more than \$2,500 per annum.

The bank recommends a total increase of \$20,250 in officers' salaries, said recommendation extending practically throughout the entire list of officers connected with the organization. Your Committee, therefore, begs to submit the present and proposed official salary list of the Dallas bank for direct consideration and action of the Board.

Your Committee further recommends that since the budget estimates for the Statistical and Research Department of the bank cover only the first six months of the year that the Board's approval of salary recommendations for officers and employees in this Department be also limited to a like period.

The Committee finds that the annual pay roll for the Dallas bank and branches on January 1, 1924, was \$920,780, covering 556 officers and employees. Including the increases which have taken place throughout the year in the salaries of employees receiving less than \$2,500 per annum and the suggested increases for employees and officers effective January 1, 1925, the payroll would be \$853,060, covering 488 employees. This shows a reduction of \$67,720 in dollars and 68 in the number of officers and employees. The reduction in the salaries as proposed for 1925 as compared to those recommended for 1924 is 7.35%.

For the information of the Board, the Committee begs to call attention to a comparison between the total payroll as proposed for 1925 between the Dallas and Minneapolis Federal Reserve Banks:

	<u>Payroll</u>	<u>Personnel</u>
Dallas . . . . .	\$ 853,060	488
Minneapolis . . . . .	<u>667,567</u>	<u>392</u>
Difference	\$ 185,493	96

The Committee feels that the senior officers and directors of the Dallas Bank should make a careful study and survey all along the line in the operation of the Bank with the view of materially increasing the efficiency of the junior staff and employees as well as a considerable reduction in number."

Upon motion by Mr. Hamlin it was voted to approve the adjustments made during the year in the salaries of employees receiving \$2,500 or less per annum and the recommendations made by the Directors as to employees receiving more than \$2,500 per annum, with the understanding that the approval in the case of employees in the Statistical and Research Department is for six months only.

At 1:20 P.M. the meeting adjourned to re-convene at 3:00 o'clock.

At 3:00 P.M. the Board re-convened, the same members being present as at the morning session. The Board then proceeded to consider individually the salaries of officers as follows:

B. A. McKinney, Governor; present annual salary, \$18,000; proposed annual salary, \$24,000.

Mr. Platt moved that the Board disapprove the salary of \$24,000 per annum for Governor McKinney, recommended by the Dallas directors but that the directors be advised the Board will approve a salary of \$20,000 for the Governor.

Mr. Platt's motion being put by the Chair was carried, Mr. Miller voting "no".

The Secretary then read a letter addressed to the Board by Mr. C. E. Lins, Class "C" Director of the bank, recommending that the salary of Mr. Lynn P. Talley, Federal Reserve Agent, be fixed at \$24,000 for the year 1925.

Mr. Miller moved that the salary of Mr. Talley be fixed at \$18,000 for the year 1925.

Mr. Miller's motion being put by the Chair was carried, Messrs. Crissinger and Cunningham voting "no".

Chas. C. Hall, Assistant Federal Reserve Agent; present annual salary, \$7,000; proposed annual salary, \$7,000.

Upon motion it was voted to fix a salary of \$7,000 for Mr. Hall during the year 1925.

W. J. Evans, Assistant Federal Reserve Agent; present annual salary, \$6,000; proposed annual salary \$6,000.

Upon motion it was voted to fix a salary of \$6,000 for Mr. Evans during the year 1925.

R. R. Gilbert, Deputy Governor; present annual salary \$9,000; proposed annual salary, \$10,000.

Mr. Platt moved approval of a salary of \$10,000 for Mr. Gilbert during the year 1925.

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

Governor Crissinger "no"  
 Mr. Miller "no"  
 Mr. Cunningham "no"  
 Mr. Platt "aye"  
 Mr. Hamlin "aye"  
 Mr. James "aye"  
 Mr. McIntosh not voting.

Upon motion of Mr. Miller it was then voted to approve a salary of \$9,000 for Mr. Gilbert during the year 1925.

Val. J. Grund, Deputy Governor; present annual salary \$7,500; Proposed annual salary, \$8,000.

Upon motion of Mr. Hamlin it was voted to approve a salary of \$8,000 for Mr. Grund during the year 1925, Mr. Cunningham voting "no".

R. B. Coleman, Cashier; present annual salary \$6,000; proposed annual salary, \$7,200.

Upon motion by Mr. Platt it was voted to disapprove the salary of \$7,200 for Mr. Coleman recommended by the Dallas directors but to advise the directors that the Board will approve a salary of \$6,600 for Mr. Coleman, Messrs. Miller and Cunningham voting "no".

W. O. Ford, Assistant Cashier; present annual salary \$4,500; Proposed annual salary \$5,000.

Upon motion by Mr. Cunningham it was voted to approve a salary of \$4,500 for Mr. Ford during the year 1925.

R. T. Freeman, Assistant Cashier; present annual salary \$4,500; proposed annual salary \$4,500.

Upon motion, it was voted to approve a salary of \$4,500 for Mr. Freeman during the year 1925.

W. D. Gentry, Assistant Cashier; present annual salary \$4,200; proposed annual salary \$4,500.

Upon motion of Mr. Cunningham it was voted to approve a salary of \$4,200 for Mr. Gentry during the year 1925, Messrs. Platt and Hamlin voting "no".

J. L. Hermann, Assistant Cashier; present annual salary \$4,000; proposed annual salary \$4,200.

Upon motion by Mr. Platt, it was voted to approve a salary of \$4,000 for Mr. Hermann during the year 1925.

E. B. Austin, Assistant Cashier; present annual salary \$4,000; proposed annual salary \$4,200.

Mr. Hamlin moved approval of a salary of \$4,200 for Mr. Austin during the year 1925.

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

Governor Crissinger "no"  
Mr. Miller "no"  
Mr. Cunningham "no"  
Mr. Platt "aye"  
Mr. James "aye"  
Mr. Hamlin "aye"  
Mr. McIntosh not voting.

Upon motion it was then voted to approve a salary of \$4,000 for Mr. Austin during the year 1925.

After discussion Mr. Platt moved reconsideration of the Board's action in voting to approve a salary of \$4,200 for Assistant Cashier Gentry.

Carried, Mr. Miller and Mr. Cunningham voting "no".

Upon motion by Mr. Platt it was then voted to approve a salary of \$4,500 for Mr. Gentry during the year 1925, Messrs. Miller and Cunningham voting "no".

R. L. Foulks, General Auditor; present annual salary \$4,200; Proposed annual salary \$4,800.

Upon motion by Mr. Platt it was voted to disapprove the salary of \$4,800 for Mr. Foulks recommended by the Dallas directors but to advise the directors that the Board will approve a salary of \$4500 for Mr. Foulks, Messrs. Miller & Cunningham voting "no".

W. P. Clarke, Assistant Auditor; present annual salary \$3,600; Proposed annual salary \$3,900.

Upon motion by Mr. Platt it was voted to approve a salary of \$3,900 for Mr. Clarke during the year 1925, Messrs. Miller and Cunningham voting "no".

S. H. Leavell, Assistant Auditor; present annual salary \$3,600; Proposed annual salary \$3,600.

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Upon motion it was voted to approve a salary of \$3,600 for Mr. Leavell during the year 1925.

E. B. Stroud, General Counsel; present annual salary \$7,000; proposed annual salary \$8,400.

Mr. Hamlin moved that the Board approve a salary of \$8,400 for Mr. Stroud during the year 1925.

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

Mr. Miller "no"  
Mr. James "no"  
Mr. Cunningham "no"  
Mr. McIntosh "no"  
Governor Crissinger "aye"  
Mr. Platt "aye"  
Mr. Hamlin "aye"

Mr. Platt then moved that the Board approve a salary of \$8,000 for Mr. Stroud during the year 1925.

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

Mr. Miller "no"  
Mr. James "no"  
Mr. Cunningham "no"  
Mr. McIntosh "no"  
Governor Crissinger "aye"  
Mr. Platt "aye"  
Mr. Hamlin "aye"

It was then voted to approve a salary of \$7,000 for Mr. Stroud during the year 1925.

C. C. Huff, General Counsel; present salary \$1,200; proposed annual salary \$1,200.

Upon motion it was voted to approve a salary of \$1,200 for Mr. Huff during the year 1925.

Dwight P. Reordan, Manager El Paso Branch; present annual salary \$5,400; proposed annual salary \$6,000.

Upon motion by Mr. James it was voted to approve a salary of \$6,000 for Mr. Reordan during the year 1925, Messrs. Miller and Cunningham voting "no".

M. Grump, Cashier El Paso Branch; present annual salary \$4,000; proposed annual salary \$4,200.

Upon motion by Mr. James it was voted to approve a salary of \$4,200 for Mr. Grump during the year 1925.

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Allen Sayles, Assistant Cashier, El Paso Branch; present annual salary, \$3,200; proposed annual salary, \$3,300.

Upon motion by Mr. Miller, it was voted to approve a salary of \$3,300 for Mr. Sayles during the year 1925.

M. C. Smyth, Branch Auditor, El Paso Branch; present annual salary, \$2,700; proposed annual salary, \$2,800.

Upon motion by Mr. Platt, it was voted to approve a salary of \$2,800 for Mr. Smyth, during the year 1925.

Fred Harris, Manager, Houston Branch; present annual salary \$5,500; proposed annual salary \$6,200.

Upon motion by Mr. James it was voted to disapprove the salary of \$6,200 for Mr. Harris recommended by the Dallas directors but to advise the directors that the Board will approve a salary of \$6,000 for Mr. Harris, Messrs. Miller and Cunningham voting "no".

L. G. Pondrom, Cashier, Houston Branch; present annual salary \$3,500; proposed annual salary, \$3,750.

Upon motion by Mr. James, it was voted to approve a salary of \$3,750 for Mr. Pondrom during the year 1925.

H. R. DeMoss, Assistant Cashier, Houston Branch; present annual salary \$3,000; proposed annual salary, \$3,200.

Upon motion by Mr. James, it was voted to approve a salary of \$3,200 for Mr. DeMoss during the year 1925.

C. L. Whitley, Branch Auditor, Houston Branch; present annual salary, \$2,700; proposed annual salary, \$2,700.

It was voted to approve a salary of \$2,700 for Mr. Whitley during the year 1925.

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency on the subject of the closing of books of the Federal Reserve Bank of St. Louis as of December 31, 1924:

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"Your Committee has examined the statement submitted by the Federal Reserve Bank of St. Louis with its request for authority to close its books and pay the semi-annual dividend, and finds that on the basis of the bank's daily balance sheet Form 34 the estimated gross earnings will be sufficient to cover current operating expenses, the cost of furniture and equipment purchased during the year, depreciation allowances on its bank buildings and net expense "Other real estate", and in addition, the greater part of the dividends accrued to the end of the year. The estimated earnings and proposed deductions therefrom are as follows:

Gross earnings	-	\$1,677,231.59	
Current expenses	-	<u>1,427,352.68</u>	
Current net earnings	-		\$249,878.91
Profit and Loss - Credit	-		<u>2,235.65</u>
T o t a l	-		\$252,114.56

## Proposed deductions:

Furniture and equipment	-	24,621.92	
2% reserve on bank building at Louisville	-	4,400.00	
Expense other real estate	-	17,870.38	
Profit and Loss - Debit	-	<u>12,447.28</u>	
Total deductions	-		<u>59,339.58</u>
Balance available for dividends	-		192,774.98
Dividends paid to June 30	-	151,615.23	
Estimated dividends July 1 to December 31	-	<u>153,409.77</u>	
Total dividends	-		<u>305,025.00</u>
Deficit in earnings if dividends are paid in full	-		112,250.02

Your Committee recommends that the proposed deductions from current net earnings for furniture and equipment, net expense "Other real estate", depreciation of the Louisville building, and sundry profit and loss debits be approved.

Estimated losses on account of failed banks amount to \$85,000, while similar losses in the case of banks considered to be in an unsafe condition amount to \$25,000. Inasmuch as the bank now has a reserve for probable losses of \$250,000 it is not requested that any additional provision be made to cover probable losses.

The payment of accrued dividends in full will necessitate a charge against the bank's surplus of approximately \$112,000. Inasmuch as the bank now has a surplus of \$10,071,742.58 your Committee recommends that accrued dividends be paid in full and that such portion thereof as may be necessary be charged to the surplus account."

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Upon motion by Mr. James, it was voted to approve the recommendations of the Committee.

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency, with regard to salary adjustments submitted by the Directors of the Federal Reserve Bank of St. Louis in the salaries of officers and employees of the bank and its Little Rock, Memphis and Louisville branches during the year 1925:

"Your Committee submits herewith the salary recommendations made by the officers and directors of the Federal Reserve Bank of St. Louis, and recommends approval of all adjustments recommended by the directors concerning the salaries of employees receiving more than \$2500 per annum, and also recommends approval of adjustments made in the salaries of employees receiving less than \$2500 per annum, both at the head office and the branches.

The Committee also recommends approval of the proposed increase in the salary of A. E. Debrecht, Assistant Auditor, Present Salary \$2500 per annum; proposed salary \$2700 per annum, and also recommends approval of the proposed increase in the salary of F. P. Maguire, Assistant Auditor at the Little Rock Branch, Present Salary \$2400 per annum; Proposed salary \$2500.

The Committee has some doubt as to the propriety and justification of the proposed increases in the salaries of six officers of the parent bank. Therefore, it begs to submit the present and proposed official salary list of the St. Louis Bank and its branches for direct consideration and action of the Board.

It will be noted that in the Board's letter to Chairman Martin under date of December 26, 1923, the St. Louis Bank was advised that the salaries which are now under consideration were "pegged" at the amount allowed at the beginning of the year 1924.

The bank recommends a total increase of \$3,550 in officers' salaries, and of \$1,670 in salaries of employees receiving more than \$2,500 per annum. Increases in salaries paid to employees receiving \$2,500, or less per annum, which the bank has authority to make without specific reference to the Federal Reserve Board, totaled \$28,960, making a total increase in salaries of \$34,180.

It will be noted from the table that between December 31 of last year and December 1 of the present year there was a decrease of 1 officer and 76 employees; that the payroll for the present year will be approximately \$57,600 less than last year; and that the estimated payroll next year, if all proposed increases are approved, will be \$958,120, or about \$78,700 less than at the beginning of this year.



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"The net result of the proposed adjustments, if allowed, would be that the pay roll proposed for January 1, 1925 as compared with January 1, 1924 would result in a decrease of 7.6 per cent.

Your Committee further recommends that since the budget estimates in the statistical and research department of the bank cover only the first six months of the year that the Board's approval of salary recommendations for officers and employees in this department be also limited for a like period.

The Committee has no criticism as to the number of officers and employees in the St. Louis organization, but believes that a careful survey on the part of the officers and directors with a view of strict economy in line with proper efficiency would result in still further reduction in the personnel."

Upon motion, it was voted to approve adjustments made during the year in the salaries of employees receiving \$2,500 or less per annum and the recommendations made by the Directors as to employees receiving more than \$2500 per annum, with the understanding that the approval in the case of employees in the Statistical and Research Department is for six months only.

The Board then considered individually the salaries of officers as follows:

A. E. Debrecht, Assistant Auditor; present annual salary, \$2500; proposed annual salary, \$2700.

Upon motion by Mr. James, it was voted to approve a salary of \$2700 for Mr. Debrecht during the year 1925.

F. P. Maguire, Assistant Auditor, Little Rock Branch; present annual salary, \$2400; proposed annual salary, \$2500.

Noted.

D. C. Biggs, Governor; present annual salary, \$25,000; proposed annual salary, \$25,000.

After discussion, Mr. Miller moved that the St. Louis Committee be instructed, through correspondence or otherwise, to inform the directors of the Federal Reserve Bank of St. Louis or such of the directors as it thinks best, that it is the opinion of the Federal Reserve Board that it will not approve a salary for Governor Biggs for the year 1925 in excess of \$20,000.

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Mr. Hamlin moved, as a substitute for Mr. Miller's motion, that the matter be taken up with the Federal Reserve Bank and that it be advised that before acting on the salary of the Governor of the bank, the Board desires more information as it has some reason to believe that the salary is out of line.

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

Mr. Platt "aye"  
 Mr. Hamlin "aye"  
 Mr. James "aye"  
 Mr. Cunningham "aye"  
 Governor Crissinger "no"  
 Mr. Miller "no"  
 Mr. McIntosh "not voting"

C. M. Stewart, Assistant Federal Reserve Agent; present annual salary, \$7,000; proposed annual salary, \$7,500.

J. W. White, Cashier; present annual salary \$8,000; proposed annual salary \$8,500.

A. H. Hail, Assistant Cashier; present annual salary, \$6,000; proposed annual salary \$6,500.

E. C. Adams, Assistant Cashier; present annual salary, \$4,500; proposed annual salary, \$4,750.

E. J. Novy, Auditor; present annual salary, \$7,500; proposed annual salary, \$8,000.

Jas. G. McConkey, Counsel and Secretary; present annual salary, \$9,000; proposed annual salary \$10,000.

Mr. James called attention to the fact that the salaries of Messrs. Stewart, White, Hail, Adams and Novy were pegged by the Board last year at present figures, and that the Board had expressed the opinion that the salary of Mr. McConkey for 1925 should not be in excess of \$7,500.

Upon motion by Mr. James, it was then voted to withhold approval of the salary recommendations of the St. Louis directors for all officers except Messrs. Debrecht and Maguire and to instruct the Committee on District #8 to confer with the directors of the bank with the view of having a revised schedule of official salaries submitted.

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The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency on the subject of the closing of books of the Federal Reserve Bank of Minneapolis as of December 31, 1924:

"Your Committee has examined the statement submitted by the Federal Reserve Bank of Minneapolis with its request for authority to close its books and pay the semi-annual dividend and finds that on the basis of the bank's daily balance sheet Form 34 the estimated gross earnings will be sufficient to cover operating expenses, accrued dividends, and other charges which the bank proposes to make against current net earnings. The estimated earnings and proposed deductions therefrom are as follows:

"Gross earnings	-	\$1,598,179.55	
Current expenses	-	<u>1,061,271.76</u>	
Current net earnings	-		536,907.79
Estimated appreciation on U.S. securities	-		143,469.20
Sundry adjustments	-		<u>25,903.99</u>
Total			\$ 706,280.98

Proposed deductions:

Furniture and equipment	-	45,176.18	
2% reserve on bank building at Minneapolis	-	36,202.94	
2% reserve on bank building at Helena	-	3,125.80	
Maintenance new building	-	18,041.15	
Taxes on new building	-	54,390.00	
Charge off on Minneapolis building to reduce to book value	-	100,000.00	
10% reserve on fixed machinery and equipment at Minneapolis	-	47,435.81	
10% reserve on fixed machinery and equipment at Helena	-	1,610.90	
Expense other real estate	-	18,460.00	
Other deductions	-	<u>6,268.64</u>	
Total deductions	-		<u>330,711.42</u>

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"Balance available for dividends, surplus and franchise tax	-	\$375,569.56
Dividends paid June 30	-	\$103,572.34
Estimated dividends July 1 to December 31st	-	<u>99,231.61</u>
Total dividends	-	<u>202,803.95</u>
Available for surplus and franchise tax	-	<u>173,765.61</u>
To be transferred to surplus	-	<u>17,276.56</u>
Payable as a franchise tax	-	<u>155,489.05</u>

Your Committee finds that the deductions from current net earnings for furniture and equipment and also the reserve on the bank building and on fixed machinery and equipment at Helena are in accordance with the Board's instructions and recommends that they be approved. The Minneapolis building is nearly completed, but its book value has not yet been reduced to its estimated replacement cost. It is therefore recommended that the proposed 2% reserve on the building and the 10% reserve on fixed machinery and equipment be deferred until next year, but that the bank be authorized to charge off a reasonable amount for the purpose of reducing the book value of the Minneapolis building to its estimated replacement cost, such amount to include the \$18,041.15 for maintenance and \$54,990 for taxes on the building during course of construction. The bank should be requested to wire the Board the amount it proposes to write off for the purpose of reducing its book value to its approximate replacement cost not later than Monday, December 29.

Estimated losses on account of paper of failed banks are given as \$391,500. While no estimate is furnished of probable losses in the case of banks considered to be in an unsafe condition, the Federal reserve bank states that the present reserve of \$700,000 is considered sufficient to cover all probable losses.

It is recommended that the bank be authorized to pay all accrued dividends on December 31 and that the balance of its net earnings, if any, be transferred to surplus and paid to the Government as a franchise tax in accordance with the Board's letter St. 4333 of November 26, 1924."

Upon motion by Mr. James, the recommendations of the Committee were approved.

The Secretary then read the following report of the Committee

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on Salaries, Expenditures and Efficiency with regard to salary adjustments submitted by the Directors of the Federal Reserve Bank of Minneapolis for officers and employees of the bank and its Helena Branch for the year 1925.

"Your Committee presents herewith the recommendations as to salary adjustments submitted by the officers and directors of the Federal Reserve Bank of Minneapolis, and recommends approval of all adjustments made as to employees receiving less than \$2,500 per annum, and as to the recommendations relating to employees receiving more than \$2,500 per annum.

The Committee has considerable doubt as to the propriety and justification of the proposed increases in the salaries of the officers. Therefore, it begs to submit the present and proposed official salary list of the Minneapolis Bank and Helena Branch for direct consideration and action of the Board.

Your Committee further recommends that since the budget estimate for the statistical and research department of the bank covers only the first six months of the year, that the Board's approval of salary recommendations for officers and employees in this department be also limited to a like period.

The Committee finds that the annual payroll for the Minneapolis Bank and Helena Branch on January 1, 1924 was \$707,430 covering 488 officers and employees. Including the increases which have taken place during the year in the salaries of employees receiving less than \$2,500 per annum, and the suggested increases for officers and employees as recommended by the bank to be effective January 1st, the payroll on January 1, 1925 would be \$667,567 for 392 officers and employees.

This shows a reduction of \$39,863 in dollars and 96 in the number of officers and employees. However, the exact reduction would be 97 employees and an increase of one officer.

The reduction in the salaries as proposed for 1925 as against those for 1924 amounts to 5.63%."

Upon motion by Mr. James, it was voted to approve adjustments made during the year in the salaries of employees receiving \$2,500 or less per annum and the recommendations made by the directors as to employees receiving more than \$2,500 per annum, with the understanding that the approval in the case of employees in the Statistical and Research Department is for six months only.

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The Board then considered individually the salaries of officers as follows:

W. B. Geery, Deputy Governor; present annual salary \$16,000; proposed annual salary, \$17,000.

Upon motion by Mr. Cunningham, it was voted to approve a salary of \$16,000 per annum for Mr. Geery during the year 1925.

B. V. Moore, Deputy Governor; present annual salary \$8,000; proposed annual salary, \$9,000.

Upon motion by Mr. Hamlin, it was voted to approve a salary of \$8,000 for Mr. Moore during the year 1925, Mr. Platt voting "no".

Harry Yaeger, Assistant Deputy Governor; present annual salary, \$7,000; proposed annual salary, \$8,000.

Upon motion by Mr. Cunningham it was voted to approve a salary of \$7,000 for Mr. Yaeger during the year 1925, Mr. Platt voting "no".

Gray Warren, Cashier; present annual salary \$5,300; proposed annual salary, \$5,500.

Upon motion by Mr. James, it was voted to approve a salary of \$5,500 for Mr. Warren during the year 1925.

Harry I. Ziemer, Assistant Cashier; present annual salary \$3,200; proposed annual salary, \$3,600.

Upon motion by Mr. James, it was voted to approve a salary of \$3,600 for Mr. Ziemer during the year 1925.

A. R. Larson, Assistant Cashier; present annual salary, \$3,200; proposed annual salary \$3,600.

Upon motion by Mr. James, it was voted to approve a salary of \$3,600 for Mr. Larson during the year 1925.

C. L. Mosher, Assistant Federal Reserve Agent; present annual salary, \$6,500; proposed annual salary, \$6,500.

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J. F. Ebersole, Assistant Federal Reserve Agent; present annual salary, \$4,800; proposed annual salary, \$4,800.

R. A. Young, Governor; present salary \$20,000; proposed annual salary \$20,000.

F. C. Dunlop, Controller; present annual salary \$6,500; proposed annual salary \$6,500.

L. E. Rast, Assistant Cashier; present annual salary \$4,000; proposed annual salary, \$4,000.

H. C. Core, Assistant Cashier; present annual salary \$4,000; proposed annual salary \$4,000.

W. C. Langdon, Assistant Cashier; present annual salary \$3,200; proposed annual salary \$3,200.

F. M. Bailey, Manager Examination Department; present annual salary \$5,000; proposed annual salary \$5,000.

Upon motion, it was voted to approve the present salaries for the above-named officers during the year 1925.

R. E. Towle, Manager Helena Branch; present annual salary, \$6,000; proposed annual salary \$6,500.

Upon motion by Mr. James, it was voted to approve a salary of \$6,500 for Mr. Towle during the year 1925.

H. F. Brown, Cashier, Helena Branch; present annual salary \$4,000; proposed annual salary, \$4,000.

R. E. Schumacher, Assistant Cashier, Helena Branch; present annual salary, \$3,600; proposed annual salary \$3,600.

W. A. Cutler, Jr., Assistant Cashier, Helena Branch; present annual salary, \$2,700; proposed annual salary, \$2,700.

H. L. Zimmerman, Assistant Federal Reserve Agent and Auditor, Helena Branch; present annual salary, \$4,000; proposed annual salary, \$4,000.

Upon motion, it was voted to approve the present salaries for the above named officers for the year 1925.

At the request of Mr. Hamlin, Chairman of the Law Committee, it was voted to defer action on the salaries of Mr. Andreas Ueland and T. B. Weir, Counsel at the head office and branch respectively.

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency on the subject of the closing of

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books of the Federal Reserve Bank of Kansas City as of December 31, 1924.

"Your committee has examined the statement submitted by the Federal Reserve Bank of Kansas City with its request for authority to close its books and pay the semi-annual dividend, and finds that on the basis of the banks daily balance sheet Form 34 the estimated gross earnings will be sufficient to cover operating expenses, the cost of furniture and equipment purchased during the year, depreciation allowances on bank buildings and on fixed machinery and equipment, but will not be sufficient to cover other proposed charge offs in full. The estimated earnings and proposed deductions therefrom are as follows:

Gross earnings	-	\$2,254,504.00	
Current expenses	-	<u>1,863,482.51</u>	
Current net earnings	-		\$391,021.49
Estimated appreciation on United States bonds	-		168.00
Discount on United States securities	-		70.25
Sundry adjustments	-		<u>17,250.00</u>
Total	-		<u>408,509.74</u>

Proposed deductions:

Furniture and equipment	-	36,021.86	
2% reserve on bank building at Kansas City		50,052.65	
2% reserve on bank building at Oklahoma City	-	6,617.90	
10% reserve on fixed machinery and equipment at Kansas City	-	76,514.49	
10% reserve on fixed machinery and equipment at Oklahoma City	-	6,786.57	
Charge off on Kansas City building to reduce to replacement cost	-	200,000.00	
Charge off on Oklahoma City building to reduce to replacement cost	-	19,748.76	
Charge off on Denver building site to reduce to estimated market value	-	249.00	
Premium on U. S. securities	-	21,298.26	
Premium on Federal Intermediate Credit Bank debentures	-	2,212.72	
Other deductions	-	<u>2,630.79</u>	
Total deductions	-		<u>422,133.00</u>
Deficit in earnings if all of above charges are made			13,623.26
Dividends paid June 30	-	134,800.43	
Estimated dividends July 1 to December 31		<u>130,899.56</u>	
Total dividends	-		<u>265,699.99</u>
Deficit in earnings if all of above charges including dividends payments are made	-		279,323.25



"Your committee finds that deduction from current net earnings for furniture and equipment and for depreciation on bank buildings and on fixed machinery and equipment are reasonable and in accordance with the Board's instructions and recommends that they be approved.

The book values of the Kansas City and Oklahoma City buildings have not as yet been reduced to approximate replacement costs nor are the charge offs now proposed sufficient to reduce the book value of these buildings to the estimated replacement cost. The Board approved the recommendation contained in this committee's memorandum of December 9, 1924, that "Charge offs for the purpose of reducing the book value of bank buildings to approximate replacement costs should be made and any deficit arising from insufficient earnings should be charged to surplus account. The final adjustment of these charge offs should be made in the year in which the building is completed. In the event that there are now any completed buildings upon which this charge off has not been fully met, the charge should be made as of the time of closing of the books, December 31, 1924." The Kansas City bank has been occupying its building since 1921 and the Oklahoma City branch moved into its building in April 1923. It is accordingly recommended that the Board suggest to Kansas City that the book value of the Kansas City and Oklahoma City bank buildings be written down to replacement cost at the end of the year, and that the amount of these charge offs or such portion thereof as may be necessary be charged to surplus account. This will necessitate charge offs of approximately \$429,001.02 in the case of the Kansas City building and \$59,246.28 in the case of the Oklahoma City building.

The Federal reserve bank request authority to charge off premium account on United States securities and on Federal Intermediate Credit Bank debentures. The proposed action is not in accordance with the present instructions to the Federal reserve banks which provide that premium and discount on securities shall not be charged to profit and loss but amortized monthly against earnings. If the bank is permitted to charge off these premium accounts at the present time, accrued earnings on United States and other securities will indicate a somewhat higher rate of return than is actually realized by the bank. It is accordingly recommended that these proposed charges be not authorized.

The Federal reserve bank estimates losses on account of paper of closed banks at \$70,000, and probable losses on account of banks in an unsafe condition at \$180,000. Inasmuch as the present reserve of \$318,000 for probable losses is in excess of total estimated losses no addition to this reserve was requested.

In case the charge offs recommended above are authorized by the Federal Reserve Board, it will be necessary to charge all of the dividends paid on June 30 to surplus account on closing of books at the end of the year as well as dividends for the last six months if authorized. Inasmuch as the bank now has a surplus of \$9,495,539.69, your committee recommends that accrued dividends be paid in full and that the amount of such dividends be charged to surplus account."

Upon motion by Mr. James the recommendations of  
of the Committee were approved.

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The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency with regard to salary adjustments submitted by the Directors of the Federal Reserve Bank of Kansas City for the employees of the bank and its Omaha, Denver, and Oklahoma City Branches during the year 1925.

"Your Committee presents herewith the recommendations as to salary adjustments submitted by the officers and directors of the Federal Reserve Bank of Kansas City and recommends approval of the adjustments authorized by the Kansas City Board of Directors.

The bank does not make any suggested increases in the salaries of any of the officers at the home office, but has recommended adjustments in the salaries of officers of the Denver Branch, amounting to \$1,100, made up of an advance of \$500 to Manager Olson, \$300 to Assistant Cashier Cronan, and \$300 to Assistant Auditor Smith; also advances of \$400 each to Manager Daniel, of the Oklahoma City Branch, and Assistant Auditor Leamon of the same branch; it is likewise recommended that the salary of Cashier Gregory, of the Omaha Branch, be increased \$540 per annum. Your Committee believes that these increases are justified.

The bank recommends a total increase of \$2,440 in officers' salaries, and of \$2,030 in salaries of employees receiving more than \$2,500 per annum. Increases in salaries paid to employees receiving \$2,500 or less per annum, which the bank has authority to make without specific reference to the Federal Reserve Board, totaled \$9,900, making a total increase in salaries of \$14,370.

It will be noted from the attached table that between December 31 of last year and December 1 of the present year that there was no change in the number of officers and a decrease of 96 employees; that the payroll for the present year will be approximately \$134,700 less than last year; and that the estimated payroll next year, if all proposed increases are approved, will be \$1,131,931, or about \$94,400 less than at the beginning of this year.

The adjustments recommended by the bank and approved by the Committee would result in a net decrease in the salary list for January 1, 1925, as against January 1, 1924 of 7.7%.

Your Committee is of the opinion that the Federal Reserve Bank of Kansas City, with its branches, offers an opportunity for further decreases in the number of employees and, perhaps,

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"officers, which can be brought about by the directors and officials of the bank making a careful survey and study of the organization with this end in view."

Upon motion by Mr. James, it was voted to approve the adjustments made during the year in the salaries of employees receiving \$2500 or less per annum and the recommendations made by the directors as to employees receiving more than \$2500 per annum with the understanding that the approval in the case of employees in the statistical and research department is for six months only.

The Board then considered individually the salaries of officers as follows:

C. K. Boardman, Assistant Federal Reserve Agent and Secretary, present annual salary \$7,500; proposed annual salary \$7,500.

Upon motion, it was voted to fix the salary of Mr. Boardman at \$7,500 during the year 1925.

W. J. Bailey, Governor; present annual salary, \$20,000; proposed annual salary \$20,000.

C. A. Worthington, Deputy Governor; present annual salary \$12,000; proposed annual salary \$12,000.

J. W. Helm, Cashier; present annual salary \$8,000; proposed annual salary \$8,000.

John Phillips, Jr., Assistant Cashier; present annual salary, \$6,300; proposed annual salary \$6,300.

G. E. Barley, Assistant Cashier; present annual salary, \$5,700; proposed annual salary \$5,700.

E. P. Tyner, Assistant Cashier; present annual salary, \$5,700; proposed annual salary \$5,700.

A. M. McAdams, Assistant Cashier; present annual salary \$5,400; proposed annual salary \$5,400.

A. G. Frost, Assistant Cashier; present annual salary \$5,100; proposed annual salary \$5,100.

M. W. E. Park, Assistant Cashier; present annual salary, \$4,500; proposed annual salary \$4,500.

G. H. Pipkin, Assistant Cashier; present annual salary, \$4,500; proposed annual salary \$4,500.

S. A. Wardell, Auditor; present annual salary \$7,200; proposed annual salary \$7,200.

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A. E. Bolt, Assistant Auditor; present annual salary \$4,900; proposed annual salary, \$4,900.

Upon motion, it was voted to approve the present salaries for the above named officers during the year 1925.

H. G. Leedy, Counsel; present annual salary \$6,000; proposed annual salary, \$6,000.

Upon motion by Mr. Hamlin, it was voted to approve a salary of \$6,000 for Mr. Leedy during the year 1925.

J. E. Olson, Manager, Denver Branch; present annual salary, \$6,000; proposed annual salary \$6,500.

Upon motion by Mr. Cunningham, it was voted to approve a salary of \$6,000 for Mr. Olson during the year 1925, Mr. Platt voting "no".

A. J. Conway, Cashier, Denver Branch; present annual salary, \$4,200; proposed annual salary, \$4,200.

Upon motion, it was voted to approve a salary of \$4,200 for Mr. Conway during the year 1925.

Jno. A. Cronan, Assistant Cashier, Denver Branch; present annual salary, \$3,000; proposed annual salary, \$3,300.

Upon motion by Mr. Platt, it was voted to approve a salary of \$3,300 for Mr. Cronan during the year 1925.

R. W. Smith, Assistant Auditor, Denver Branch; present annual salary, \$3,000; proposed annual salary, \$3,300.

Upon motion by Mr. Platt, it was voted to approve a salary of \$3,300 for Mr. Smith during the year 1925.

C. E. Daniel, Manager, Oklahoma City Branch; present annual salary, \$6,600; proposed annual salary, \$7,000.

Upon motion by Mr. Cunningham, it was voted to approve a salary of \$6,600 for Mr. Daniel during the year 1925.

R. O. Wunderlich, Cashier, Oklahoma City Branch; present annual salary, \$4,200; proposed annual salary, \$4,200.

Upon motion, it was voted to approve a salary of \$4,200 for Mr. Wunderlich during the year 1925.

R. L. Mathes, Assistant Cashier, Oklahoma City Branch; present annual salary, \$3,300; proposed annual salary, \$3,300.

Upon motion, it was voted to approve a salary of \$3,300 for Mr. Mathes during the year 1925.

Oliver A. Leamon, Assistant Auditor, Oklahoma City Branch; present annual salary, \$2,100; proposed annual salary, \$2,500.

Noted.

L. H. Earhart, Manager, Omaha Branch; present annual salary, \$8,400; proposed annual salary, \$8,400.

Upon motion, it was voted to approve a salary of \$8,400 for Mr. Earhart during the year 1925.

G. A. Gregory, Cashier, Omaha Branch; present annual salary, \$4,260; proposed annual salary \$4,800.

Upon motion by Mr. Miller, it was voted to disapprove the salary of \$4,800 for Mr. Gregory recommended by the Kansas City Directors but to advise the directors that the Board will approve a salary of \$4,500 for Mr. Gregory.

W. D. Lower, Assistant Cashier, Omaha Branch; present annual salary, \$3,840; proposed annual salary, \$3,840.

Upon motion, it was voted to approve a salary of \$3,840 for Mr. Lower during the year 1925.

T. G. Sanders, Assistant Auditor, Omaha Branch; present annual salary, \$3,700; proposed annual salary, \$3,700.

Upon motion, it was voted to approve a salary of \$3,700 for Mr. Sanders during the year 1925.

Wm. Phillips, Assistant Cashier; present annual salary, \$3,840; proposed annual salary, \$3840.

Upon motion, it was voted to approve a salary of \$3840 for Mr. Phillips during the year 1925.

At this point Mr. McIntosh left the meeting.

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency on the subject of the closing of books of the Federal Reserve Bank of San Francisco as of December 31, 1924:

"Your Committee has examined the statement submitted by the Federal Reserve Bank of San Francisco with its request for authority to close its books and pay the semi-annual dividend, and finds that on the basis of the bank's daily balance sheet Form 34 the estimated gross earnings will be sufficient to cover current operating expenses, the cost of furniture and equipment purchased during the year, depreciation allowances on its bank building and on machinery and equipment, and miscellaneous charge offs, but will not be sufficient to cover also proposed addition to reserve for probable losses and dividends. The estimated earnings and proposed deductions therefrom are as follows:

Gross earnings. . . . .	\$3,448,000
Current expenses. . . . .	<u>2,853,000</u>
Current net earnings. . . . .	\$595,000
Proposed deductions:	
Furniture and equipment . . . . .	192,000. .
Charge off on bank building to reduce to replacement cost. . . . .	123,000
Charge off on fixed machinery and equipment to reduce to replacement cost . . . . .	25,000
Charge off on building site at Salt Lake City	2,000
Reserve for probables losses. . . . .	500,000
Other deductions. . . . .	<u>60,000</u>
Total deductions. . . . .	<u>902,000</u>
Deficit in earnings if all of above charges are made. . .	307,000
Dividends paid June 30. . . . .	238,214.98
Estimated dividends July 1 to December 31 . . . . .	<u>242,785.02</u>
Total dividends. . . . .	<u>481,000</u>
Deficit in earnings if all of above charges including dividend payments are made. . . . .	788,000

"Your Committee finds that deductions from current net earnings for furniture and equipment and to reduce the book value of the bank building at San Francisco to replacement cost are reasonable and in accordance with the Board's instructions and recommends that they be approved. In previous years the Federal Reserve Bank of San Francisco has charged off a part of the cost of fixed machinery and equipment to adjust the book value to replacement cost, thereby reducing the book value thereof from \$709,652.14 to \$560,477.57. In view of the substantial amounts heretofore charged off for fixed machinery and equipment and to the fact that instructions to the bank do not now contemplate that fixed machinery and equipment shall be reduced to replace-

ment cost, it is recommended that no depreciation allowance be authorized on fixed machinery and equipment at this time.

"The Federal Reserve Bank requests authority to charge off \$2,417.46 on the building site at Salt Lake City. The book value of this site is \$107,366.82 and the Federal reserve bank expects ultimately to write the value thereof down to its estimated market value of \$100,000. There does not appear to be any good reason why the full amount of \$7,366.82 should not be written off at this time, thereby at once reducing the book value to the estimated market value. Your Committee therefore recommends that the San Francisco bank be required to write the site down at this time to the estimated market value of \$100,000.

"Estimated losses on account of failed banks are given as \$1,397,000. At the present time the Federal reserve bank has a reserve of \$897,000 against probable losses and requests authority to set aside an additional amount of \$500,000. Inasmuch as this charge would have to be made against the bank's surplus, it is recommended that this request be not approved, also that the bank be advised that it will not be the policy of the Federal Reserve Board to authorize Federal reserve banks to make charges against the surplus account for the purpose of setting up a reserve to cover probable future losses, the amount of which has not yet been ascertained.

"In case charge offs as above recommended are authorized by the Federal Reserve Board, it will be necessary to charge a part of the \$238,214.98 of dividends paid on June 30 to surplus account on closing of books at the end of this year as well as the dividends for the last six months if authorized. Inasmuch as the bank now has a surplus of \$15,301,037.98, your Committee recommends that accrued dividends be paid in full at the end of this year and that the amount of such dividends or such portion thereof as may be necessary be charged to the surplus account."

Upon motion by Mr. James, it was voted to approve the recommendations of the Committee.

The Secretary then read the following report of the Committee on Salaries, Expenditures and Efficiency with regard to salary adjustments submitted by the directors of the Federal Reserve Bank of San Francisco for the officers and employees of the bank and its Los Angeles, Salt Lake City, Portland, Seattle and Spokane branches during the year 1925:

"Your Committee presents herewith the recommendations as to salary adjustments submitted by the officers and directors of the Federal Reserve Bank of San Francisco, and recommends approval of all adjustments made as to employees receiving less than \$2,500 per annum, and also approval of the recommendations made as to employees receiving more than \$2,500 per annum.

"The bank recommends a total increase of \$8300 in officers'

salaries, said recommendations covering 11 officers in the head office, all of whose salaries were adjusted as of January 1, 1924. The bank's recommendations also embrace increases to 9 officers at the branches. Your Committee begs to submit the present and proposed official salary list of the San Francisco bank and its branches for the direct consideration and action of the Board.

"Your Committee further recommends that since the budget estimates for the statistical and research department of the bank cover only the first six months of the year, that the Board's approval of salary recommendations for officers and employees in this department be also limited to a like period.

"The Committee finds that the annual payroll of the San Francisco bank and branches on January 1, 1924, was \$1,986,845, covering 1,135 officers and employees. Including increases which have taken place throughout the year in the salaries of employees receiving less than \$2,500 per annum, and the suggested increases for officers and employees effective January 1, 1925, the payroll would be \$1,898,120, covering 1,060 officers and employees. This shows a reduction of \$88,725 in dollars and 75 in the number of persons employed.

"The reduction in salaries as proposed for 1925 as compared to those recommended for 1924 is 4.47%.

"The Committee feels that the San Francisco bank is considerably over-manned and believes that the senior officers and directors of the bank should make a careful study and survey all along the line with the view of materially decreasing the number of officers and employees."

On motion by Mr. James, it was voted to approve the adjustments made during the year in the salaries of employees receiving \$2,500 or less per annum and the recommendations made by the directors as to employees receiving more than \$2,500 per annum, with the understanding that the approval in the case of employees in the statistical and research department is for six months only.

The Board then considered individually the salaries of officers, as follows:

L. C. Pontious, Assistant Deputy Governor, present annual salary \$12,000, proposed annual salary \$13,000.

Mr. Platt moved that the Board approve a salary of \$13,000 for Mr. Pontious during the year 1925.

Mr. Cunningham moved as a substitute that the Board approve a salary of \$12,000 for Mr. Pontious during the year 1925.

Mr. Cunningham's motion being put by the chair was lost, Messrs. James and Cunningham voting "aye."

Mr. Platt's original motion being put by the chair was carried, Messrs. James and Cunningham voting "no".



W. M. Hale, Assistant Cashier, present annual salary \$6,300, proposed annual salary \$6,600.

C. D. Phillips, Assistant Cashier, present annual salary \$5,220, proposed annual salary \$5,700.

C. E. Earhart, Assistant Cashier, present annual salary \$5,700, proposed annual salary \$6,000.

H. N. Mangels, Assistant Cashier, present annual salary \$4,800, proposed annual salary \$5,100.

H. M. Craft, Assistant Cashier, present annual salary \$4,500, proposed annual salary \$4,800.

E. C. Mailliard, Assistant Cashier, present annual salary \$4,200, proposed annual salary \$4,500.

S. A. MacEachron, Assistant Cashier, present annual salary \$4,200, proposed annual salary \$4,500.

F. H. Holman, General Auditor, present annual salary \$5,700, proposed annual salary \$6,000.

After discussion of the report of the Committee on Salaries, Expenditures and Efficiency, that the San Francisco bank is considerably over-manned and that the senior officers and directors should make a careful study and survey with a view of materially decreasing the number of officers and employees, Mr. Miller moved that the increases recommended for the above named officers be not approved, but that the Board approve their present salaries for the year 1925.

Carried.

S. G. Sargent, Assistant Federal Reserve Agent, present annual salary \$12,000, proposed annual salary \$12,000.

Upon motion, it was voted to fix a salary of \$12,000 for Mr. Sargent during the year 1925.

J. U. Calkins, Governor, present annual salary \$25,000, proposed annual salary \$25,000.

William A. Day, Deputy Governor, present annual salary \$15,000, proposed annual salary \$15,000.

Ira Clerk, Assistant Deputy Governor, present annual salary \$13,000, proposed annual salary \$13,000.

W. N. Ambrose, Cashier, present annual salary \$8,000, proposed annual salary \$8,000.

Mudie McRitchie, Assistant Cashier, present annual salary \$4,500, proposed annual salary \$4,500.

J. M. Osmer, Auditor, present annual salary \$4,080, proposed annual salary \$4,080.

E. W. Morton, Auditor, present annual salary \$3,600, proposed annual salary \$3,600.

Upon motion, it was voted to approve the present salaries of the above named officers for the year 1925.

A. C. Agnew, Counsel, present annual salary \$8,500, proposed annual salary \$10,000.

Upon motion by Mr. Hamlin, Chairman of the Law Committee, it was voted to approve a salary of \$10,000 for Mr. Agnew during the year 1925.

E. E. Hull, Assistant to Counsel, present annual salary \$3,000, proposed annual salary \$3,000.

Upon motion by Mr. Hamlin, Chairman of the Law Committee, it was voted to approve a salary of \$3,000 for Mr. Hull during the year 1925.

G. J. Shepherd, Manager, Los Angeles Branch, present annual salary \$8,500, proposed annual salary \$8500.

Upon motion, it was voted to approve a salary of \$8,500 for Mr. Shepherd during the year 1925.

G. H. Schmidt, Assistant Manager, Los Angeles Branch, present annual salary \$4,500, proposed annual salary \$4800.

Mr. Platt moved approval of a salary of \$4,800 for Mr. Schmidt during the year 1925.

Mr. Platt's motion being put by the chair was lost, Messrs. Platt and Hamlin voting "aye".

Upon motion by Mr. Cunningham, it was then voted to approve a salary of \$4,500 for Mr. Schmidt for the year 1925, Mr. Platt voting "no".

A. J. Dumm, Assistant Cashier, Los Angeles Branch, present annual salary \$3,600, proposed annual salary \$3,900.

Upon motion by Mr. James, it was voted to approve a salary of \$3,600 for Mr. Dumm during the year 1925.

L. C. Meyer, Acting Assistant Cashier, Los Angeles Branch, present annual salary \$3,180, proposed annual salary \$3,600.

Upon motion by Mr. Cunningham, it was voted to approve a salary of \$3,180 for Mr. Meyer during the year 1925.

Frederick Greenwood, Manager, Portland Branch, present annual salary \$6,300, proposed annual salary \$6,300.

Upon motion, it was voted to approve a salary of \$6,300 for Mr. Greenwood during the year 1925.

R. B. West, Assistant Manager, Portland Branch, present annual salary \$4,200, proposed annual salary \$4,500.

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Mr. Platt moved approval of a salary of \$4,500 for Mr. West during the year 1925.

Mr. Platt's motion being put by the chair was lost, Messrs. Platt and Hamlin voting "aye".

Upon motion, it was then voted to approve a salary of \$4,200 for Mr. West during the year 1925.

J. P. Blanchard, Assistant Cashier, Portland Branch, present annual salary \$3,600, proposed annual salary, \$3,780.

Mr. Platt moved approval of a salary of \$3,780 for Mr. Blanchard during the year 1925.

Mr. Platt's motion being put by the chair was lost, Messrs. Platt and Hamlin voting "aye".

Upon motion, it was then voted to approve a salary of \$3,600 for Mr. Blanchard during the year 1925.

R. B. Motherwell, Manager, Salt Lake City Branch, present annual salary, \$8,500; proposed annual salary, \$8,500.

Upon motion, it was voted to approve a salary of \$8,500 for Mr. Motherwell during the year 1925.

A. B. Nordling, Assistant Manager, Salt Lake City Branch, present annual salary \$5,100; proposed annual salary \$5,100.

Upon motion, it was voted to approve a salary of \$5,100 for Mr. Nordling during the year 1925.

P. M. Lee, Assistant Cashier, Salt Lake City Branch, present annual salary, \$3,600; proposed annual salary \$3,780.

Upon motion by Mr. Cunningham, it was voted approve a salary of \$3,600 for Mr. Lee, Messrs. Hamlin and Platt voting "no".

J. M. Leisner, Assistant Cashier, Salt Lake City Branch, present annual salary \$3,600; proposed annual salary, \$3,780.

Upon motion by Mr. Cunningham, it was voted to approve a salary of \$3,600 for Mr. Leisner during the year 1925, Messrs. Hamlin and Platt voting "no".

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C. R. Shaw, Manager, Seattle Branch, present annual salary, \$6,300; proposed annual salary, \$6,300.

Upon motion, it was voted to approve a salary of \$6,300 for Mr. Shaw during the year 1925.

B. A. Russell, Assistant Cashier, Seattle Branch; present annual salary, \$3,600; proposed annual salary, \$3,780.

Upon motion by Mr. Cunningham, it was voted to approve a salary of \$3,600 for Mr. Russell during the year 1925, Messrs. Platt and Hamlin voting "no".

W. L. Partner, Manager, Spokane Branch, present annual salary \$6,300; proposed annual salary, \$6,300.

Upon motion, it was voted to approve a salary of \$6,300 for Mr. Partner during the year 1925.

D. L. Davis, Assistant Manager, Spokane Branch, present annual salary \$5,100; proposed annual salary, \$5,100.

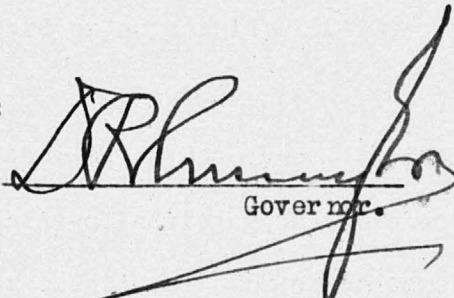
Upon motion, it was voted to approve a salary of \$5,100 for Mr. Davis during the year 1925.

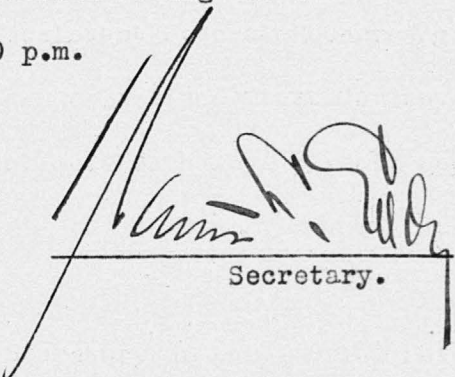
Evan Berg, Assistant Cashier, Spokane Branch, present annual salary \$3,600; proposed annual salary \$3,780.

Upon motion by Mr. Cunningham, it was voted to approve a salary of \$3,600 for Mr. Berg during the year 1925, Messrs. Platt and Hamlin voting "no".

The meeting adjourned at 4:40 p.m.

Approved:

  
Governor.

  
Secretary.