A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, December 30, 1924 at 11:15 a.m.

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

The minutes of the meeting of the Federal Reserve Board held on December 22nd were read and approved as amended.

The reading of the minutes of the meetings of the Federal Reserve Board held on December 18th and December 23rd was dispensed with.

Telegram dated December 22nd from the Deputy Governor of the Federal Reserve Bank of New York, advising of the bank's effective buying rates on bills on that date, as follows: thirty-day maturities, 2 3/4%; sixty-day maturities, 2 7/8%; ninety-day maturities, 3%; four months, 3 1/4%; five and six months, 3 1/2%; sales contract rate, 3%.

Noted.

Letter dated December 22nd from the Assistant Federal Reserve Agent at Richmond, advising that the Atlantic Exchange Bank and Trust Company of Baltimore on December 19th opened a branch at 467 North Gay Street, approved by the Board on August 14, 1924.

Noted.

Letter dated December 24th from the Secretary of the Federal Reserve Bank of Chicago, advising of the election of Mr. Frank O. Wetmore, President of the First National Bank of Chicago, as member of the Federal Advisory Council to represent the 7th District during the year 1925, and advising further of
that bank's appointees to the directorate of its Detroit branch effective January 1, 1925 and the names of officers elected to serve at the head office and branch during the year.

Noted.

Letter dated December 18th from the Chairman of the Federal Reserve Bank of San Francisco, advising of that bank's appointees to the directorates of its branches, effective January 1, 1925.

Noted.

Report of Committee on Examinations on letter dated December 18th, from the Federal Reserve Agent at San Francisco, transmitting and recommending approval of the application of the Pacific Southwest Trust and Savings Bank of Los Angeles for permission to close its branch at 131 East Seaside Boulevard, Long Beach, and to reopen it at a later date at 7th Street and Cherry Avenue, Long Beach, when a new building to be constructed is completed; the Committee stating that it sees no objection to the temporary closing and removal of the Branch.

Approved.

Telegram dated December 22nd from the Federal Reserve Agent at St. Louis, recommending approval of the application of the Fidelity Bank and Trust Company of Memphis, for permission to take over the Southern National Bank of Memphis; together with telegraphic reply made on December 22nd, on the initials of members of the Board, advising of the Board's approval of the application.

Upon motion, the application was formally approved.
Letter dated December 23rd from the Chairman of the Federal Reserve Bank of Atlanta, suggesting January 2, 1925 as the date for the opening of a special election of a Class "A" director of the bank to fill the unexpired term of Mr. Oscar Newton, who resigned to accept appointment as a Class "C" director and outlining the proposed procedure; together with telegraphic reply made under date of December 26th, on the initials of members of the Board, advising that the procedure outlined in his letter is satisfactory to the Board.

Upon motion, the telegraphic reply above referred to was formally approved.

Telegram dated December 23rd from the Chairman of the Federal Reserve Bank of Kansas City, inquiring whether Federal Reserve banks in shipping standard silver dollars are permitted to absorb charges on outgoing shipments to non-member banks as well as to member banks; together with copy of telegraphic reply made on December 23rd, on the initials of members of the Board, advising it is not contemplated that the Federal Reserve banks will make any change in existing regulations and practices in currency and coin shipments to and from non-member banks.

Upon motion, the telegraphic reply was formally approved.

Memorandum dated December 23rd from the Board's Fiscal Agent, submitting an estimate of the Board's expenses for the first six months of 1925 amounting to $392,000, and advising that his estimated unencumbered balance on December 31, 1924 will be $20,000, necessitating an assessment on the Federal Reserve banks of $372,000 or approximately one hundred fourteen thousandths of 1 per cent of the estimated paid-in capital and surplus of the banks as of December 31, 1924.
Upon motion, the following resolution was unanimously adopted:

"Whereas, under Section 10 of the act approved December 23, 1913, and known as the Federal Reserve Act, the Federal Reserve Board is empowered to levy semi-annually upon the Federal reserve banks in proportion to their capital stock and surplus an assessment sufficient to pay its estimated expenses, including the salaries of its members, assistants, attorneys, experts and employees for the half-year succeeding the levying of such assessment, together with any deficit carried forward from the preceding half-year; and

"Whereas it appears from estimates submitted and considered that it is necessary that a fund equal to one hundred fourteen thousandths of one per cent of the total paid-in capital stock and surplus of the Federal reserve banks be created for the purpose hereinbefore described, exclusive of the cost of engraving and printing of Federal reserve notes; Now, therefore,

"Be it resolved, That pursuant to the authority vested in it by law, the Federal Reserve Board hereby levies an assessment upon the several Federal reserve banks of an amount equal to one hundred fourteen thousandths of one per cent of the total paid-in capital stock and surplus of such banks as of December 31, 1924, and the Fiscal Agent of the Board is hereby authorized to collect from said banks such assessment and execute, in the name of the Board, receipts for payments made. Such assessments will be collected in two installments of one-half each; the first installment to be paid on January 1, 1925, and the second half on March 1, 1925."

Letters dated December 12th, 16th and 18th from the Chairman of the Federal Reserve Bank of San Francisco, submitting amendments to the by-laws of the branches of that bank made necessary by the Board's regulations governing the appointment of Branch Bank directors and providing for several other minor modifications; together with telegram sent on December 24th, on the initials of the members of the Board, advising of the Board's approval of the amended By-laws.

Upon motion, the By-laws as amended were formally approved.

Memorandum dated December 22nd from Counsel, with regard to letter dated December 18th from the Vice President of the Atlantic National Bank of Boston,
requesting that the Board permit Mr. Samuel R. Haines, a director of that bank, to serve at the same time as a director of the Atlantic National Corporation; Counsel stating that no formal application is required in this case and that there is no legal reason why the application on behalf of Mr. Haines should not be granted.

Upon motion, it was voted to grant the authority requested.

Telegram dated December 29th from the Governor of the Federal Reserve Bank of Minneapolis, referring to the Board's action of December 23rd on the closing of books of that bank and requesting authority to make a depreciation charge against equipment in the new building, the cost of which totaled $316,697.28; together with draft of telegraphic reply, stating that inasmuch as the heating equipment in the new building has been in operation one year, the bank is authorized to set up a reserve on such equipment not exceeding 10% of cost or $12,614.73 but that the setting up of reserves on other machinery and equipment should be deferred until next year.

Upon motion, the proposed telegram was approved.

Memorandum dated December 23rd from Counsel, on the matter referred to him at the meeting on December 22nd, namely, request of the Federal Reserve Agent at San Francisco for approval of the cancellation of Federal Reserve bank stock standing in the name of D. W. Stendrod and Company, Bankers, of Blackfoot, Idaho, a member bank which closed on November 30th, 1923, and the application of the proceeds against the bank's indebtedness to the Federal Reserve bank; Counsel stating that the procedure suggested is entirely in accordance with the Federal Reserve Act and the Board's regulations and there is no legal reason why it should not be done.
Upon motion it was voted to approve the cancellation of stock as suggested by the Federal Reserve Agent at San Francisco.

Letter dated December 24th from the Deputy Governor of the Federal Reserve Bank of New York, requesting authority to employ Mr. John Noble as foreman-painter, at a salary of $50 per week, vice Mr. H. Dunne whose employment at the same figure was approved by the Board on October 2, 1924.

Approved.

Letter dated December 26th from the Chairman of the Federal Reserve Bank of Kansas City, requesting approval of the action of the Executive Committee of that bank in voting to grant Mr. C. K. Boardman, Assistant Federal Reserve Agent, leave of absence with full pay until January 21, 1925.

Approved.

Memorandum dated December 27th, approved by the Secretary, requesting that Miss Josephine E. Lally, clerk in the office of the Fiscal Agent, be granted leave of absence, in excess of the regular allowance, from December 18th to and including December 31, 1924.

Approved.

Report of Law Committee recommending approval of a fee for Randolph and Parker, Counsel for the Federal Reserve Bank of Atlanta of $3500 per annum plus an allowance of $1500 per annum to cover the services of a stenographer.

Approved.

Report of Law Committee recommending approval of a fee of $5,000 per annum during the year 1925 for Judge Andreas Ueland, Counsel of the Federal Reserve Bank of Minneapolis, plus an allowance of $4,000 per annum for office expenses and a fee of $3600 for Mr. T. B. Weir, Counsel of the Helena Branch,
plus an allowance of $2400 per annum for office expenses.

Mr. Hamlin moved approval of a fee of $5,000 for Judge Ueland, plus an allowance of $4,000 for office expenses; with the understanding that the allowance of $4,000 will be reconsidered when the Federal Reserve Bank of Minneapolis has moved into its new building.

Carried, Mr. Miller voting "no".

Mr. Hamlin then moved approval of a salary of $3600 per annum for Mr. Weir plus an allowance of $2400 per annum for office expenses.

Carried, Mr. Miller voting "no".

Report of Committee on Salaries, Expenditures and Efficiency on letter dated December 22nd from the Governor of the Federal Reserve Bank of Kansas City, requesting approval of a budget of $10,000 for welfare and educational work at the Federal Reserve Bank of Kansas City during 1925; the Board's Committee reporting that in its opinion the amount is excessive and items of $2500 each for "Education" and "Recreation" should be reduced by not less than 50%.

Upon motion, the recommendations of the Committee were approved.

Memorandum dated December 29th from the Committee on Salaries, Expenditures and Efficiency, submitting a list of present salaries of the officers of the Board and stating that prior to submission to the Board of budgets covering expenditures necessary to operate the several divisions of the Board's organization during the year 1925, it will be in order for the Board to fix the salaries to be paid to the members of its official staff during the year.

The Board then went into Executive session.
At the conclusion of the Executive session, the Secretary re-entered the meeting and was directed by the Governor to include in the minutes the following memoranda of action taken during the Executive session:

Upon motion by Mr. James, seconded by Mr. Hamlin, it was voted to fix the salary of Mr. Walter L. Eddy, Secretary, at $11,000 for the year 1925, Mr. Miller voting "no".

Upon motion by Mr. James, seconded by Mr. Hamlin, it was voted to fix the salary of Mr. J. C. Noell, Assistant Secretary, at $6,000 for the year 1925.

Upon motion by Mr. James, seconded by Mr. Hamlin, it was voted to fix the salary of Mr. Walter Wyatt, General Counsel, at $10,000 for the year 1925.

Upon motion by Mr. James, seconded by Mr. Hamlin, it was voted to fix the salary of Mr. William M. Imlay, Fiscal Agent, at $4550 for the year 1925.

Upon motion by Mr. James, seconded by Mr. Hamlin, it was voted to fix the salary of Mr. Walter W. Stewart, Director of the Division of Research and Statistics, at $11,000 for the year 1925, Mr. Miller "not voting".

Upon motion by Mr. James, seconded by Mr. Hamlin, it was voted to fix the salary of Mr. E. A. Goldenweiser, Statistician, at $6500 for the year 1925, Mr. McIntosh "not voting".

Upon motion by Mr. James, seconded by Mr. Hamlin, it was voted to fix the salary of Mr. E. L. Smead, Chief of the Division of Bank Operations, at $8000 for the year 1925.

Upon motion by Mr. James, seconded by Mr. McIntosh, it was voted to fix the salary of Mr. James F. Herson, Chief Examiner, at $13,000 for the year 1925, Mr. Miller voting "no".

Mr. Miller then submitted the following resolutions:

"Whereas the following resolution was voted by the Board at its meeting December 23rd:

'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.'
Whereas, resolutions of similar tenor were voted by the Board with regard to the Federal Reserve Banks of Philadelphia, Chicago and St. Louis;

Whereas, the aforesaid resolutions were adopted by the Board upon recommendation of its Committee on Salaries, Expenditures and Efficiency; and

Whereas, the four banks referred to in said resolutions, through such representatives as they may appoint to confer with the Federal Reserve Board with respect to the adjustment of their respective official salary lists, should have the benefit of the detailed criticisms, comments and suggestions of the Board's Committee on Salaries, Expenditures and Efficiency; and

Whereas, no official salaries can be paid in any of the aforesaid banks in the year 1925 until such payments have been approved by the Federal Reserve Board;

Therefore, be it resolved that the Committee on Salaries, Expenditures and Efficiency be instructed to meet representatives of any of the aforesaid banks for the purpose of conferring and working out a solution of the adjustments referred to in the aforesaid resolutions; and

Be it further resolved that the Committee not later than January 15th, submit to the Board an official salary list for each of the above named banks which it recommends for approval by the Board."

Mr. Cunningham moved that the proposed resolutions be amended by striking out the entire preamble.

Carried, Messrs. Crissinger and Miller voting "no".

Mr. Hamlin then moved that the resolutions, as amended, be adopted with further amendment so as to read as follows:

"Be it resolved that the Committee on Salaries, Expenditures and Efficiency be instructed to meet representatives of any of the aforesaid banks for the purpose of conferring and working out a solution of the adjustments referred to in the aforesaid resolutions; and

Be it further resolved that the Committee submit a report to the Board on some date prior to January 15th."

Carried, Messrs. James and Cunningham voting "no".

Memorandum dated December 29th from the Division of Examinations, with regard to letter dated December 24th from the Federal Reserve Agent at Dallas enclosing copy of a resolution of the directors of the Coleman State Bank of
Coleman, Okla., to reduce the capital stock of the bank from $25,000 to $15,000, below the legal requirement for member banks, and stating that while the bank is entitled to a hearing before the Board to show cause why their stock in the Federal Reserve bank should not be cancelled and membership forfeited they desire to waive this right; the memorandum recommending that the matter be referred to the Board's General Counsel for the preparation of a formal order of expulsion from membership and that when such order is issued the Federal Reserve Agent be directed to cancel the bank's stock and make appropriate refund.

Referred to the Law Committee.

Letter dated December 22nd from the Secretary of the Federal Reserve Bank of Cleveland making certain inquiries with regard to the Board's letter of December 19th (X-4221) on the subject "Determination of Outlying District for Purpose of Reserve Reduction".

Referred to Counsel.

Report of Law Committee submitting draft of reply to letter dated December 12th from the Chairman of the Federal Reserve Bank of Chicago, submitting for the Board's information form of resolution which the directors of the Marshal and Ilsley Bank of Milwaukee propose to pass at their next meeting, requesting the Board's approval of their action in establishing a trust department; the proposed reply stating that the resolution appears to be sufficient and requesting the Federal Reserve Agent to obtain from the bank an application pursuant to the resolution for approval of the trust powers now being exercised by the bank.
Upon motion, the proposed letter was approved.

Draft of reply to letter dated December 16th from the President of the Burns National Bank of St. Joseph, Missouri, inquiring whether his bank is authorized to serve as one of three trustees in the administration of a charitable trust by the terms of which no compensation can be paid to the trustee; the proposed reply stating that the Board knows of no reason why the bank should not undertake to serve in the administration of the trust, if in the judgment of the officers of the bank it is deemed proper and advisable.

Approved.

Draft of statement for the press with regard to the hearing granted the directors of the Federal Reserve Bank of Richmond on February 13, 1925 to show cause why a branch of that bank should be established in the southwestern portion of the 5th District.

Approved.

The Governor then submitted a letter addressed to him under date of December 23rd by the Federal Reserve Agent at San Francisco, with regard to rotation in the service of directors of the Federal Reserve banks and members of the Federal Advisory Council, and advising that the directors of that bank have under consideration the appointment of Mr. H. S. McKee, one of the Board's appointees to the Los Angeles directorate, as member of the Federal Advisory Council from that District.

Referred to the Committee on District #12 for report.

Mr. Platt then moved that as a general principle the Board express its opinion that directors of Federal Reserve banks and branches should not be appointed members of the Federal Advisory Council.
Mr. Platt's motion being put by the chair was lost, Governor Crissinger and Mr. Platt voting "Aye".

The Secretary requested to be advised, in view of his understanding that the Secretary of the Treasury wishes to present his views on the recommendation of the board of directors of the Pittsburgh Branch, concurred in by the directors of the Federal Reserve Bank of Cleveland, for an increase in the salary of the Manager of the branch, whether he should advise the Chairman of the board of directors of the Cleveland bank of the action taken by the Board on December 23rd in approving the salary of the Manager of the branch at $12,000 for the year 1925, in accordance with the Board's policy of not approving a salary in excess of $12,000 for any branch Manager.

The Governor asked for an expression of the views of the members of the Board and the Secretary was instructed to withhold such advice for the time being.

REPORTS OF STANDING COMMITTEES:

Dated, December 23, 26, 29, 30,
Recommending changes in stock at Federal Reserve Banks, as set forth in the Auxiliary Minute Book of this date. Approved.

Dated, December 30, 30, 30, 30,
Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date. Approved.

Dated, December 30, 30, 30, 30,
Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date. Ordered held.

Dated, December 20,
Recommending approval of the application of Mr. W. W. Hastings to serve at the same time as director of the Commercial National Bank, Muskogee, Okla., and as director of the First National Bank, Tahlequah, Okla. Approved.

Dated, December 22,
Recommending refusal of the application of Mr. O. D. Fisher to serve at the same time as director of the First National Bank, Seattle, Washington and as director of the Metropolitan National Bank, Seattle, Washington. Refused.

Dated, December 19,
Recommending approval of the application of Mr. Felix Agmus to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md. Approved.
REPORTS OF STANDING COMMITTEES (Cont'd)

Dated, December 19, Recommending approval of the application of Mr. Snowden Hoff to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md.

Approved.

Dated, December 19, Recommending approval of the application of Mr. Peter E. Tome to serve at the same time as director of the National Bank of Baltimore and as director and Vice President of the Century Trust Company, both of Baltimore, Md.

Approved.

Dated, December 19, Recommending approval of the application of Mr. Oliver S. Anderson to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md.

Approved.

Dated, December 19, Recommending approval of the application of Mr. Harry G. Evans to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md.

Approved.

Dated, December 19, Recommending approval of the application of Mr. John W. Hall to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md.

Approved.

Dated, December 19, Recommending approval of the application of Mr. John B. H. Dunn to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md.

Approved.

Dated, December 19, Recommending approval of the application of Mr. John C. Muth to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md.

Approved.

Dated, December 19, Recommending approval of the application of Mr. Isaac E. Emerson to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md.

Approved.

Dated, December 19, Recommending approval of the application of Mr. Wm. J. Donnelly to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md.

Approved.
Dated, December 19, Recommending approval of the application of Mr. Robert E. Tubman to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md. Approved.

Dated, December 19, Recommending approval of the application of Mr. John L. Whitehurst to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md. Approved.

Dated, December 19, Recommending approval of the application of Mr. Herman H. Duker to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md. Approved.

Dated, December 19, Recommending approval of the application of Mr. Theodore M. Austin to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md. Approved.

Dated, December 19, Recommending approval of the application of Mr. Frank J. Caughy to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md. Approved.

Dated, December 19, Recommending approval of the application of Mr. John Hinkley to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md. Approved.

Dated, December 19, Recommending approval of the application of Mr. John Schoenewolf to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md. Approved.

Dated, December 20, Recommending approval of the application of Mr. J. Wm. Middendorf to serve at the same time as director of the National Bank of Baltimore and as director of the Century Trust Company, both of Baltimore, Md., and as director of the Security Storage and Trust Company of Baltimore, Md. Approved.

Dated, December 22, Recommending refusal of the application of Mr. Howard E. Young to serve at the same time as director of the National Bank of Baltimore, of the Mercantile Trust and Deposit Co., Baltimore and of the Union Trust Company, all of Baltimore, Maryland. Refused.
REPORTS OF STANDING COMMITTEES (Cont'd)

Dated, December 20, Recommending approval of the application of Mr. James L. Sellman to serve at the same time as director of the National Bank of Baltimore, and of the Century Trust Company, both of Baltimore, Md., but recommending refusal of his application to serve as director of the Maryland Trust Company, also of Baltimore.

Recommendations approved.

Dated, December 20, Recommending approval of the application of Mr. John C. Taliaferro to serve at the same time as director of the National Bank of Baltimore, and of the Century Trust Company, both of Baltimore, Md., but recommending refusal of his application to serve as director of the Calvert Bank, also of Baltimore, Md.

Recommendations approved.

Dated, December 20, Recommending approval of the application of Mr. Allen L. Carter to serve at the same time as director of the National Bank of Baltimore, and of the Century Trust Company, both of Baltimore, Md., but recommending refusal of his application to serve as director of the Commerce Trust Company, also of Baltimore, Md.

Recommendations approved.

Dated, December 20, Recommending approval of the application of Mr. Frederick H. Gottlieb to serve at the same time as director of the National Bank of Baltimore, and of the Century Trust Company, both of Baltimore, but recommending refusal of his application to serve as director of the Calvert Bank, also of Baltimore, Md.

Recommendations approved.

The meeting adjourned at 1:15 p.m.

Approved:

[Signature]
Governor.

[Signature]
Secretary.