

Upon call of the Vice Governor a meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Saturday, December 18, 1926 at 11:00 a.m.

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

PRESENT ALSO: Mr. Mitchell, Chairman of the Federal Reserve Bank of Minneapolis

Mr. Mitchell discussed the reasons back of a resolution adopted by the board of directors of the Federal Reserve Bank of Minneapolis, in which the officers of the bank were authorized with the approval of the Federal Reserve Board, to charge off on the Minneapolis building at the end of the present year an amount (\$200,000) in addition to the regular annual depreciation charge of 2%, stating that the directors felt the Minneapolis building is a one purpose building and in their opinion should eventually be carried in the assets of the bank at a figure approximating what it could be sold for rather than its replacement value. He stated that the real estate Board in Minneapolis recently made an appraisal of the building at the request of the Federal reserve bank and the appraisal figure was approximately \$1,500,000 under the present book value of the building.

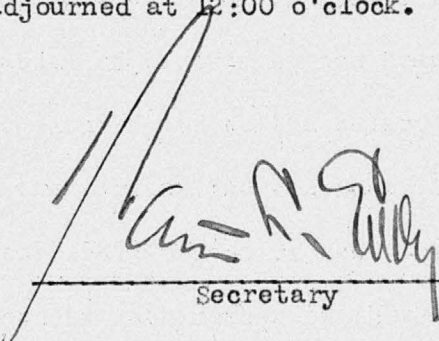
After discussion, it was the consensus of opinion of the Executive Committee that the Federal Reserve Bank should adhere to the practice heretofore approved by the Board of writing down the replacement value of bank buildings at a rate not to exceed 2% per annum and that no charge-offs in excess of that rate should be allowed.

Mr. Mitchell then called attention to certain errors made by the Minneapolis bank in computing the replacement cost of its building at the end of 1924 which if corrected would permit the bank to reduce the

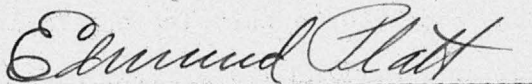
replacement figure on its books by approximately \$75,000, the adjustment to be made out of the bank's earnings this year.

On motion by Mr. James, it was voted to permit the Minneapolis Bank to make all proper adjustments in the replacement figure at which its building is carried, and the Secretary was instructed to take this matter up with the officers of the Minneapolis Bank.

The meeting adjourned at 12:00 o'clock.

  
Secretary

Approved:

  
Vice Governor