

A meeting of the Federal Reserve Board in executive session was held in Washington on Friday, October 12, 1934, at 2:30 p. m.

PRESENT: Mr. Thomas, Vice Governor
Mr. Hamlin
Mr. Miller
Mr. James
Mr. Szymczak
Mr. O'Connor

Reference was made to the recent action taken by the Federal Reserve Bank of Atlanta in regard to the discontinuance of the Havana agency, and to the letters received under date of August 10 from Mr. Newton, Chairman of the Federal Reserve Bank of Atlanta, and September 27 from Governor Black of the Atlanta bank, advising of the action taken by the board of directors of the bank in voting that the Federal Reserve Board be advised that the Federal Reserve Bank of Atlanta would cooperate in the System operation of the Havana agency, and expressing the opinion that its operation as a System agency would be a proper solution of the problem.

The suggestion of the Atlanta directors was discussed and it was voted that Counsel be requested to submit an opinion as to the authority of the Board to require the maintenance of the agency on a System basis.

Mr. Thomas called attention to a letter received by him under date of September 26, 1934, from Mr. Curtis L. Mosher, which had been circulated among the members of the Board, referring to the discontinuance of his services as assistant Federal reserve agent at the Federal Reserve Bank of Minneapolis, and suggesting that the Federal Reserve Board request the Federal Reserve Bank of Minneapolis to restore his name to the bank's

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payroll for the period from January 1 to March 1, 1934, and permit him, as of the latter date, to make application for voluntary retirement under the retirement system of the Federal reserve banks.

After discussion, it was voted that Counsel be requested to submit an opinion as to the Board's authority to require the restoration of Mr. Mosher to the payroll of the Minneapolis bank and with regard to his eligibility for retirement under the retirement system of the Federal reserve banks.

Reference was then made to the Board's letters of September 19, 1934, to the chairmen of the boards of directors of all Federal reserve banks with regard to meetings of the boards of directors of the banks and branches with the Federal Reserve Board in Washington. Mr. James stated that he had been advised by some of the directors in the St. Louis district, particularly the directors of the Memphis branch, that it would be very difficult for them to find time to come to Washington during October. Reference was also made to the expense which would be involved in having the directors of the respective banks and branches come to Washington, and there was discussion of the matters which would be placed upon a program for consideration with the various boards of directors. The opinion was expressed by some of the members present that, in view of the difficulty which some of the directors would have in finding time to attend the meetings, and as there are a number of other matters which require the Board's attention at the present time, it would be desirable to postpone all arrangements for the meetings and to give consideration to the matter at a later date.

Mr. Szymczak stated that he felt the meetings should be held as planned, as his recent visits to some of the reserve banks had convinced

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him that the banks and the Board are drifting apart and that they should be brought together either through the medium of such meetings or such other means as the Board might consider desirable. He also stated that if the meetings are not held, the Board should consider the possibility of having the directors of the eastern banks come to Washington for meetings with the Board, and of the Board arranging meetings at some western point where the directors of the western banks could meet with the Board without the necessity of coming all the way to Washington.

At the conclusion of the discussion, it was voted to advise the Federal reserve banks that, inasmuch as some of the directors had indicated that it would be difficult for them to find time to attend meetings in the near future and as there are a number of matters which are making heavy demands on the Board's time which make it difficult to arrange a satisfactory schedule for the meetings, the Board has concluded that, without abandoning entirely the idea which prompted the original suggestion, it would be desirable to postpone until a later date all arrangements for the meetings.

Mr. Thomas was authorized to select a person to be added to the Board's staff to act as his assistant, it being understood that the salary of the person selected would be submitted to the Board for approval in the usual way.

Consideration was then given to the question of the procedure to be followed by the Federal Reserve Board in the selection of an architect for the Board's new building.

After discussion, it was voted that the selection of the architect for the new building should be on a competitive basis, and Mr. Miller was requested to consult with Mr. Charles Moore, Chairman of the Commission of Fine Arts, and submit recommendations to the Board with regard (1) to the details of the procedure in making the selection of the architect,

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and (2) to the employment of a professional adviser to assist the Board in working out the details of the program for the competition.

Thereupon the meeting adjourned.

J. J. Thomas

Vice Governor.