

A meeting of the Federal Reserve Board was held in Washington on Friday, May 17, 1935, at 3:00 p. m.

PRESENT: Mr. Eccles, Governor
Mr. Thomas, Vice Governor
Mr. Hamlin
Mr. Miller
Mr. Szymczak

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Governor

ALSO PRESENT: Messrs. John Mead Howells and John W. Cross, members of the jury appointed to judge the competition for the selection of an architect for the Board's new building.
Mr. Everett V. Meeks, Professional Adviser to the Federal Reserve Board.

Advice having been received by the Board that the jury, appointed to judge the competition for the selection of an architect for the Board's new building, was ready to report, this meeting was called to review the drawings and receive the report.

After the drawings submitted by the nine competing architects had been studied by all of the members of the Board present, Mr. Howells, Chairman of the Jury, read the jury report which was formally submitted to the Board as follows:

- "As instructed in the program the Jury has
- "(a) Familiarized itself with the site for the proposed building.
 - "(b) Studied and digested the conditions of the program.
 - "(c) Has examined carefully all the designs and in its judgment has found that all nine designs submitted conform to the mandatory provisions of the program.
 - "(d) The Jury has further carefully studied and compared all designs in three separate sessions on two separate days.

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"(e) It has selected by unanimous vote design numbered 7. This design in its opinion gives promise of the best results.

"(f) It has rated in the order of their merit the two best remaining designs as follows:

Number 3 placed second;

Number 4 placed third.

"(g) The Jury furthermore certifies as above that the selected and rated designs have conformed to the mandatory provisions of the program.

"(h) The Jury therefore recommends to the Federal Reserve Board that it premiate design numbered 7 selected as above and in accordance with the conditions of the program.

"The Jury felt that the quality of the drawings submitted was of an exceptional order, the highest standard being maintained throughout. This excellence in itself brought about prolonged and careful discussion of all drawings. After due deliberation the result as recited above was unanimously reached.

"The admirable returns obtained have been eminently successful and the Jury believes that the Board has achieved results which could not have been obtained otherwise. The competition has brought out the best thought and efforts of a group of America's most distinguished architects on this problem. These are now at the disposal of the Board.

(Signed) J. W. Cross

A. C. Miller

Wm. Emerson

Frederic A. Delano

John Mead Howells

Chairman."

I am pleased to concur in the above and to commend the decision of the jury.

(Signed) Everett V. Meeks.

In commenting on the report Mr. Howells said that the jury felt that, while there had been some question in the minds of some of the members of the jury as to the results obtained from competitions of this kind, the drawings submitted by the competing architects in this case were of such high quality that the jury was satisfied that as good results could not have been obtained by any other method.

Mr. Miller suggested that, unless the members of the Board desired to ask questions, the professional members of the jury and the Board's professional adviser withdraw from the meeting in order that the

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Board might give consideration to the jury's report. No questions were asked, and Messrs. Howells, Cross, and Meeks left the room.

Mr. Thomas referred to the absence of Mr. James and it was agreed that final action on the report should not be taken until Mr. James could be present, but that a decision should be reached as soon as possible. It was ascertained by the Secretary that Mr. James was flying from Memphis to Washington and was scheduled to arrive in Washington at 5:00 p. m. today but that his plane was two and a half hours late.

It was then suggested that the Board might receive the report of the jury at this meeting and take action thereon tomorrow morning when Mr. James will be present.

Mr. Miller moved that the Board accept the report of the jury and thank the members of the jury for their services.

Carried.

Mr. Miller stated that the chairman of the jury feels that, until some action is taken by the Board on the report, he should remain in Washington and that, as he would like to return to New York tonight if possible, it would be of assistance to him if the members of the Board present would give an informal indication as to their attitude toward the report.

All of the members present expressed themselves as being in accord with the jury report, and it was agreed that there was no necessity for Mr. Howells to remain longer in Washington.

It was also agreed that a meeting of the Board should be held at 9:30 tomorrow morning for the purpose of taking final action on the report of the jury.

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Mr. Morrill stated that the competing architects had been requested to make arrangements to receive wire advice of the Board's action tomorrow, so that the winning architect might arrange to be in Washington on Monday, May 20, in connection with a meeting of The Commission of Fine Arts which will pass on the building design. He also said that a draft of contract with the architect had been prepared and was in the hands of Mr. Miller.

At this point, Mr. Meeks, Professional Adviser, reentered the room.

Upon inquiry from Governor Eccles, it was stated that it was believed that it would take the winning architect from four to six months to complete the final drawings and that the draft of contract with the architect provides for a limit on the time that he may take for that work. Governor Eccles expressed the view that such a provision would be desirable.

Mr. Miller stated that the winning design lends itself particularly well to execution in marble and he reviewed the consideration which had been given by the jury to the advisability of using marble in the building. He said that Mr. Delano had strongly urged that careful thought be given to the possibilities of deterioration in marble before a decision is reached as to the material to be used.

Mr. Morrill read a draft of a press statement prepared for release in the morning papers of Sunday, May 19, 1935.

After discussion, the proposed statement was approved in the following amended form:

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"The Federal Reserve Board on Saturday, May 18, selected _____ as the architect for its new building on Constitution Avenue.

"_____ was chosen Friday morning by a jury on the basis of designs submitted by nine architects who were invited to participate in a competition which was announced February 1. The jury's choice was approved by the Federal Reserve Board. It is expected that the architect will begin work immediately on the preparation of final plans and specifications. The design and material of the exterior of the building are subject to the approval of the Fine Arts Commission.

"The jury which passed upon the designs was composed of three architects and two laymen. The architects who served were John W. Cross, New York City; William Emerson, Dean of the School of Architecture, Massachusetts Institute of Technology, Boston, Massachusetts, and John Mead Howells, New York City. The other members of the jury were Frederic A. Delano, Chairman of the National Capital Park and Planning Commission, and Adolph C. Miller, a member of the Federal Reserve Board.

"The program for the competition was prepared under the direction of Mr. Everett V. Meeks, Dean of the School of the Fine Arts in Yale University, who has acted as the Board's professional adviser.

"The program outlined certain conditions under which the Federal Reserve Board acquired the site on Constitution Avenue, one of which provided that the design and material of the exterior of the building should be subject to the approval of the Commission of Fine Arts. The Commission prescribed that 'the material of the exterior of the building is to be of white marble to conform to the other buildings along this portion of Constitution Avenue'. In indicating its views as to the general architectural character of the building the Commission stated that 'the nature of the functions performed by the Federal Reserve Board dictates an architectural concept of dignity and permanence. It must, consequently, have impressive dignity.'

"The program also referred to the fact that the proximity of the proposed building to the Lincoln Memorial and other permanent structures already erected on Constitution Avenue suggested that the exterior design of the building be in harmony with its environment.

"While the Board did not attempt to dictate to the competitors in the matter of style, it was indicated that the aesthetic appeal of the exterior design should be made through dignity of conception, purity of line, proportion and scale

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"rather than through decorative or monumental features and the program quoted the view of the Commission of Fine Arts that 'the Federal Reserve Board building must be in general accord with the governmental buildings in Washington--it must seem at home in the city'.

"The winning design projects a building which fulfills admirably the above desired elements and in addition solves in masterly fashion the program as developed to meet not only the present but also reasonable future needs of the Board.

"Within the past three years the Board's organization has increased 50% in size and is now housed in rented quarters in two separate downtown office buildings. In the new building ample room will be allowed for expansion so that when the building is occupied the Board will not find itself in the position of having failed to make proper provision for its needs. Soundproof movable partitions will be used in the greater part of the building so that alterations in space allotments may be made economically."

Mr. Miller moved that the Secretary be authorized, after the architect for the new building has been chosen, to permit representatives of the press to have access to the winning design for the purpose of making photographs.

Carried.

Mr. Morrill stated that the program for the competition provides for the return of all drawings, except the winning design, after copies have been made by the Board. He said that he had been advised by the National Park Service that all photographic negatives and prints of drawings made for that office are made by the Army Signal Corps and that the captain in charge of the photographic laboratory had stated that he would be pleased to have negatives and prints made for the Board on the basis of the actual cost of materials and labor and that he was of the opinion that the work could be finished by Saturday of next week.

The Secretary was authorized to have the necessary negatives and prints made by the Signal Corps and to send to the Federal reserve

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banks advice of the Board's final action with regard to the selection of an architect, with copies of the drawings of the north and south elevations of the winning design.

Inasmuch as the report of the jury certified that all designs submitted conform to the mandatory provisions of the program of competition, the payment of a competition fee of \$1,500 to each competing architect as provided in the program, except to the winning architect, was approved.

Mr. Thomas stated that he had been advised that the subcommittee of the Senate Banking and Currency Committee, which has been holding hearings on the proposed Banking Act of 1935, had agreed to report the bill to the full committee not later than the 27th of May, and that he felt the Board should consider the form of the proposed amendments contained in the bill to the Clayton Act and section 32 of the Banking Act of 1933 in order that the Board's recommendations may be submitted to the committee before it is too late. He said that he felt it would be unfortunate for the bill to become law with the amendments to the Clayton Act and section 32 in the form in which they are now contained in the bill. He indicated, however, that the report of the Board's committee on this subject was not in final form, and that he felt that a discussion of the subject would be helpful.

After some discussion of the questions involved, action was deferred, with the understanding that Mr. Thomas would prepare and submit a definite recommendation for the Board's consideration.

Governor Eccles stated that, after consulting with Governor Harrison, Chairman of the Federal Open Market Committee, who had suggested that, in view of the statutory requirement that four meetings of the

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Committee be held each year, a meeting of the Committee be called, and after receiving advice from Under Secretary of the Treasury Coolidge that he would like to confer with the Committee regarding June 15 Treasury financing, he (Governor Eccles) had called a meeting of the Committee to be held in Washington on May 27, 1935. He said that Governor Harrison had stated that he would communicate with the secretary of the Governors' Conference and suggest that he get in touch with the various governors and request that they submit any topics which they would like to have discussed at a Governors' Conference immediately following the meeting of the Federal Open Market Committee. Governor Eccles also said that there were certain questions which the Board might desire to discuss with the governors and that he would like to have the members give some thought to the matter and be prepared, at a later meeting, to make suggestions as to topics for the conference with the governors. He added that he thought the conference would afford each member of the Board an opportunity to make a statement to the governors as to the Board's position on the matters which are under his particular direction, such as a statement on industrial loans by Mr. Szymczak and on matters affecting membership in the Federal Reserve System by Mr. Hamlin.

Governor Eccles referred to the proposed transfer of Mr. Henry H. Edmiston, Economic Assistant in his office, to the Division of Research and Statistics. He stated that since the meeting on May 6, 1935, he had discussed the matter with Mr. Goldenweiser, who had stated that he

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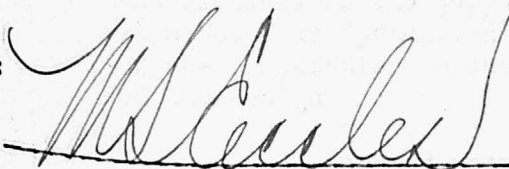
felt Mr. Edmiston was qualified for work in the division, and that the only problem presented was that the salary being paid Mr. Edmiston was out of line with other salaries in the division of employees doing comparable work. Governor Eccles stated that he had discussed the matter with Mr. Edmiston and had told him that if the transfer were made his salary could not exceed \$4,000 per annum, which is \$500 less than his present salary.

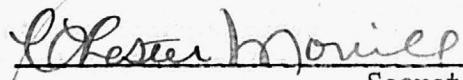
Mr. Miller stated that, in his judgment, an error is made whenever a man is placed in a position on the basis of administrative considerations, that an addition to the staff of a division should not be made unless it is done with the idea that it will strengthen and improve the division, and that he questioned the desirability of the proposed transfer because of its possible effect in the division.

After discussion, action on the matter was deferred for a later meeting of the Board.

Thereupon the meeting adjourned.

Approved:


Governor.


Secretary.