

ERECTION OF AN OFFICE BUILDING BY FEDERAL
RESERVE BANK OF ST. LOUIS.

AUGUST 25, 1922.—Referred to the House Calendar and ordered to be printed.

Mr. MCFADDEN, from the Committee on Banking and Currency;
submitted the following

REPORT.

[To accompany S. J. Res. 208.]

The Committee on Banking and Currency, to whom was referred the joint resolution (S. J. Res. 208) authorizing the Federal Reserve Banks of St. Louis and Salt Lake City to enter into contracts for the erection of buildings for their head offices and branches, having considered the same, report it back to the House with the following amendments, and as so amended recommend that it do pass:

Amend the first, second, and third lines of the first "whereas" of the preamble of the resolution by striking out "abridged the right of Federal reserve banks to enter into contracts by providing" and insert "provided"; amend the third "whereas" of the preamble by striking out "any" and inserting "a" in the second line; strike out "or branches" in the first line on the same "whereas" on the second page; in the second line strike out "buildings" and insert "building"; and after "Missouri," on the same line, strike out "and Little Rock, Arkansas,".

In the third line of the resolution strike out "Banks" and insert "Bank" and after "Saint Louis," on the same line, strike out "and Salt Lake City are" and insert "is."

In line 5 strike out "the erection of buildings and to authorize" and in the same line after "of" strike out "buildings" and insert "a building."

In line 6 after "office" strike out "and branches."

In line 8 strike out "buildings" and insert "building," and in the same line strike out "30" and insert "25."

Amend the title so as to read: "Authorizing the Federal Reserve Bank of Saint Louis to enter into contracts for the erection of a building for its head office."

Your committee, after full and careful consideration of this resolution, decided it not to be practicable at this time to authorize the expenditure of moneys for Federal reserve bank buildings other than for the parent bank building at St. Louis, and the authority for

a building at Little Rock, a branch of the St. Louis bank, and the authority for a building at Salt Lake City, Utah, a branch of the Federal Reserve Bank of San Francisco, were therefore eliminated from this resolution. It is the purpose of your committee to consider at a later date the proper steps to be taken to authorize the expenditure of moneys for the branches of Federal reserve banks.

Your committee is convinced of the need of immediate action in the matter of the building at St. Louis, their conclusion thereon having been based upon the following facts:

(1) St. Louis is the only head bank of the 12 Federal reserve banks that has not erected a building for head office use. At St. Louis the land was acquired from different owners, commencing as far back as February, 1919, and the last necessary piece was acquired in March, 1922. The cost of this land was \$1,301,166.25. The bank at St. Louis secured estimates for a building some months ago, but were of the opinion that the cost of building at that time was so high as to necessitate a postponement in actually letting the contract, as they were free under the existing law to do. During the time they were waiting for a reduction in the price of building Congress passes a law prohibiting the erection of any building costing more than \$250,000 without the direct approval of Congress.

(2) In order to keep real estate purchased by the Federal reserve bank at St. Louis from being cut in two, it was necessary to have an ordinance passed by the city of St. Louis vacating an alley absolutely essential to the construction of the proposed building. This alley was vacated provided that a Federal reserve bank be under actual construction to a degree satisfactory to the commissioner of streets and sewers of St. Louis by May, 1923.

(3) There are absolutely no other quarters available in the city of St. Louis to house a Federal reserve bank, even under such cramped conditions as now exist. The present lease held by the bank expires in 16 months, which means that the owner of the building can ask any rent that he sees fit. The board of directors of the Federal Reserve Bank of St. Louis could have completed a building some time ago had it been willing to disregard the high cost and to pay any prices asked for leases covering property purchased. It refused, however, to look at the matter from any but a businesslike standpoint and in all things has acted to get a satisfactory building at a reasonable cost.

(4) At present the Federal reserve bank at St. Louis is occupying the second floor and part of the sixteenth floor of a building on the corner of Broadway and Pine Street. It also has five floors in the building contiguous, and four blocks away is occupying the vaults and quarters vacated by the subtreasury. For its main vault it has one-half of the safe-deposit vault belonging to one of the St. Louis banks which, in addition to not being large enough, is unsatisfactory for the reason that, while it is safe, it is not under the exclusive control of the Federal reserve bank.

The situation at St. Louis warrants the authority to at once erect a building. It is proposed to erect a plain, substantial building, five stories high, with 159,560 square feet of working floor space, with a vault in said building 50 by 80 feet. The cost of the St. Louis building has been estimated at \$3,500,000.

