

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, December 6, 1922 at 11:15 a.m.

PRESENT: Vice Governor Platt  
 Mr. Hamlin  
 Mr. Miller  
 Mr. Mitchell  
 Mr. Crissinger  
 Mr. Hoxton, Secretary

Minutes of the meeting of the Federal Reserve Board held on December 5th were read and on motion approved.

The Vice Governor reported the reserve positions of the several Federal Reserve banks as at close of business December 4th.

The Vice Governor stated that the first thing in order would be the special order business ordered docketed by the Board at its meeting of December 4, 1922, namely, the reconsideration of the resolution adopted by the Board at its meeting of October 10, 1922, with respect to the reserves which are to be carried against special savings deposits in certain California state member banks.

After discussion, Mr. Crissinger submitted the same motion made by him at the meeting of October 10th, namely, that the Board make no change in its present regulations defining savings deposits, and that the so-called "special" savings accounts in certain California banks must be regarded as demand deposits against which, must be carried the reserve required by the Federal Reserve Act to be carried against demand deposits.

Carried, Mr. Crissinger, Mr. Miller and Mr. Platt voting "aye" and Mr. Hamlin and Mr. Mitchell voting "no".

Mr. Miller moved that Mr. Elliott of Los Angeles be advised of the above action of the Board, such advice to be framed as a formal reply <sup>to</sup> the Board <sup>to</sup> Mr. Elliott at the meeting of June 14, 1922; also, that simul-

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taneous advice be sent to the Chairman of the Federal Reserve Bank of San Francisco together with instructions to Mr. Perrin to make sure through the Examination Department of the Federal Reserve Bank of San Francisco, that this ruling of the Board is strictly complied with.

Carried.

Letter dated December 5th, from the Chairman of the Federal Reserve Bank of Philadelphia, advising of the result of the election of directors of that bank to fill vacancies on the Board of Directors which will occur the 31st day of December, 1922, Mr. Austin advised that Mr. Alba B. Johnson was re-elected for another term of three years, from January 1, 1923, as a Class "B" director, and that Mr. John C. Cosgrove, of Johnstown, Pennsylvania was elected as a Class "A" director for a term of three years, from January 1, 1923, to represent the banks in Group 3 of the Third Federal Reserve District.

Noted.

Draft of letter dated December 1st, prepared for the signature of the Secretary of the Board and addressed to the Governor of the Federal Reserve Bank of Boston, regarding the rate charged by that bank in the matter of the purchase of United States securities under repurchase agreements.

Approved.

Mr. Miller moved that the opinion of General Counsel be sought as to the legality of purchases by Federal Reserve Banks with agreements to repurchase, and upon that feature of the practice whereby the purchase price is based on the discount rate of the Federal Reserve bank making the purchase.

Carried.

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The Vice Governor submitted a letter dated December 4th, from the Chairman of the Federal Reserve Bank of Atlanta, enclosing copy of a letter written by Mr. McCord, to the Honorable W. J. Sears, Member of Congress, from the Fourth District of Florida, with respect to the proposed new building for the Jacksonville Branch of the Federal Reserve Bank of Atlanta. It was noted that Mr. McCord, in his letter to Congressman Sears, estimated the total cost of the proposed Jacksonville Branch on the basis of bids received, at the sum of \$342,826.04. Mr. McCord further expressed the opinion that the Board of Directors of the Federal Reserve Bank of Atlanta would request the Federal Reserve Board at Washington to approve the letting of contracts upon the basis of the above estimate subject to the appropriation being allowed by Congress.

The Vice Governor was requested to prepare a letter for submission to the Federal Reserve Board, addressed to Mr. McCord, calling attention to advice sent to Governor Wellborn under date of August 1, 1922, advising that the Board has no objection to the banks proceeding with plans for the Jacksonville building at a cost not exceeding \$250,000, including the lot, with the understanding that no contracts are to be let unless first submitted to the Board. Mr. Platt was further requested to advise Mr. McCord that the Board is of the opinion that \$250,000 will amply provide for the building of the Jacksonville branch, including real estate, and that if an adequate building can not be secured within that amount at the present time, the Board is of the opinion that building operations should be postponed.

The Vice Governor submitted a letter dated December 29th, from the Governor of the Federal Reserve Bank of Richmond, enclosing copies of a letter and questionnaire sent out by the Bureau of Business Research of New York University, under date of November 24th. While this letter and questionnaire was addressed to the Federal Reserve Bank of Richmond, it



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bore evidence of being a circular letter addressed to all Federal Reserve banks. The questionnaire requested an opinion as to what constitutes an adequate ratio of reserves to combined deposits and outstanding Federal Reserve notes during a period of normal business, and an expression of opinion as to what, during a period of abnormal business expansion, constitutes a minimum figure to which this ratio should be permitted to fall.

Upon motion, it was voted that a letter be addressed by the Vice Governor to all Federal Reserve banks, stating that the above matter has been brought to the attention of the Board by one of the Federal Reserve banks and that the Board deems that a discussion for publication of that nature by officers of the Federal Reserve banks would be inadvisable.

Mr. Miller outlined to the Board certain results obtained by the Committee on Economy and Efficiency and certain plans contemplated for the future, and moved that it is the sense of the Board that in due course all Federal Reserve Agents are to be informed that beginning with the year 1923, and thereafter, they will be required to submit to the Federal Reserve Board, a budget of their expenses for the ensuing year.

Carried.

Mr. Miller moved that a budget be prepared annually for the Federal Reserve Board, and for this purpose that a Budget Committee be set up, the members of which are to be appointed by the Vice Governor.

Approved.

In accordance with the preceding motion, the Vice Governor appointed Mr. Mitchell and Mr. Miller as the Budget Committee of the Federal Reserve Board.

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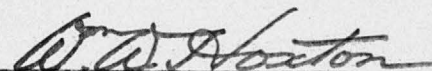
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Upon motion, the matter of appointing Class "C" Directors, whose terms of offices expire at the end of this year, and those directors of branch banks appointed by the Federal Reserve Board was ordered docketed as special order business for Friday, December 8th.

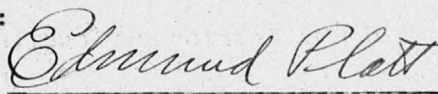
REPORTS OF COMMITTEE NO.1:

Dated December 2nd,    Recommending action on applications for fiduciary  
2nd,    powers as set forth in the Auxiliary Minute Book  
of this date.  
Approved.

At one o'clock the meeting adjourned.

  
Secretary.

Approved:

  
Vice Governor.