

A meeting of the Executive Committee of the Federal Reserve Board was held in the office of the Federal Reserve Board on Thursday, December 14th, 1922, at 11:20 a.m.

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

The Vice Governor reported the reserve positions of the several Federal Reserve banks as at close of business December 12th.

In accordance with the action of the Board taken yesterday, the Vice Governor submitted the draft of a reply to a telegram dated December 12th, from the Chairman of the Federal Reserve Bank of San Francisco, requesting information as to the conclusion reached by the Federal Reserve Board in conference with the Sub-committee of the Legislative Committee of the California Banking Association, concerning charges for examination.

After discussion the following telegram was ordered transmitted: "Your wire December 12. Board without having taken final action submits in confidence the following for your consideration as a possible basis for your negotiations with State Department: Whenever the Federal Reserve bank for the purpose of satisfying itself as to the character of the State bank examination, or for the purpose of obtaining credit information for its own use, decides to cooperate with the State bank examining authorities no charge need be made against the bank examined, and no charge need be made against the State Banking Department; provided that whenever the Federal Reserve bank supplies more than one quarter of the total number of men employed in any examination, or whenever the Federal Reserve bank supplies more men than are on its regular examining staff in the examination of any state member bank the Federal Reserve bank shall obtain reimbursement for the excess men employed, such reimbursement to cover salaries, travelling expenses and per diem. Whenever the Federal Reserve bank supplies assistance to the State Banking Department on request it shall obtain reimbursement for salaries and expenses of the men furnished, whether such men are taken from its regular examining force or from its banking force. Whenever the Federal Reserve Agent or the Federal Reserve Board orders a

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special examination under Section 9 of the Federal Reserve Act all expenses must be assessed against the bank examined. Federal Reserve examiners can not be used exclusively in the examination of any State bank made in lieu of a State examination without charge."

Draft of circular letter dated December 13th, addressed to all Federal Reserve Agents requesting a report as to the nature of their cooperation with State Banking Departments in the examination of state member banks, said circular having been prepared in accordance with action of the Board taken at the meeting of December 12th.

Approved.

Circular letter dated December 14th, addressed to the Governors and Chairmen of all Federal Reserve banks advising of the amendment to Regulation "B" as adopted by the Federal Reserve Board at its meeting of December 12th.

Approved.

Telegram dated December 12th, from the Chairman of the Federal Reserve Bank of Chicago, advising of the reappointment by that bank of Messrs. Clark, Haass, and Locke as directors of the Detroit Branch for 1923.

Noted.

There ensued a discussion with reference to action taken by the Federal Reserve Board at the meeting of December 13th, whereby it was voted that notes of cooperative marketing associations, under certain conditions shall be eligible for rediscount as agricultural paper with maturities not

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exceeding six months.

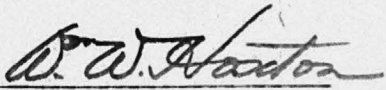
The Vice Governor stated that he desired to give notice that at the next meeting of the Board, he proposed to move the reconsideration of the action taken at the meeting of December 13th.

Mr. Hamlin stated that in view of serious legal objections which have been raised by the General Counsel of the Board, that he would be unwilling to let the resolution referred to go out as representing the final action of the Federal Reserve Board, although he expressed himself as being in sympathy with the general objects sought to be obtained by the resolution, and would be willing to approve of its publication in the event that the legal objection referred to can be overcome.

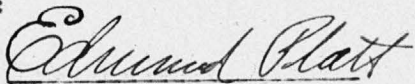
Memorandum dated December 13th, from the Assistant Secretary of the Board, advising of the resignation of Mr. Wm. R. Pherson, part time employee, Gold Settlement Division (night force) salary \$9.00 per week, effective as at close of business December 13th, authority being requested to employ a clerk to fill the vacancy.

Approved.

At 12:20 p.m. the meeting adjourned.


Secretary.

Approved:


Vice Governor.