

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Tuesday, January 2, 1923, at 11:20 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 28th, 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 27, 28, and 29.

Letter dated December 28th, from the Federal Reserve Agent at Atlanta requesting the approval of the Federal Reserve Board for the redesignation of the appointment of certain officers and employees to examine member banks.

Approved.

The Secretary called the Board's attention to the fact that telegrams have been sent out making the call for statements of condition to state member banks as of the close of business, December 29th, the said date conforming to the call recently issued by the Comptroller of the Currency.

The Vice Governor submitted a letter written by him December 29th, to the Governor of the Federal Reserve Bank of Kansas City with reference to the proposed new building for the branch banks at Denver and Omaha.

Noted.

Memorandum dated December 22nd, from General Counsel requesting authority to make publication in the forthcoming issue of the Federal Reserve Bulletin under the heading "Law Department" certain rulings, letters, decisions, etc., as set forth in the memorandum.

1/2/23

Approved, except it was ordered to omit publication in the Bulletin, of the letter of December 21st, addressed to the Chairman of the Banking and Currency Committee of the Senate, expressing the opinion of the Federal Reserve Board as two bills S-4063 and S-4103.

Letter dated December 27th, from the Federal Reserve Agent at Atlanta, submitting for the approval of the Board, the names of the Assistant Federal Reserve Agents at Atlanta, and the several branches of the Federal Reserve Bank of Atlanta.

Approved.

Draft of letter dated December 29th, addressed to the Deputy Governor of the Federal Reserve Bank of New York, Mr. Harrison, setting forth the ruling of the Board, with reference to the case of a banker's acceptance involving the shipment of gold, said letter having been prepared by Counsel and approved by the Chairman of the Law Committee.

Approved.

Letter dated December 18th, from the Governor of the Federal Reserve Bank of Boston, suggesting that in view of his retirement from the Federal Reserve System, the Board might wish to appoint some one to take his place upon the committee appointed at the joint convention in Washington of Governors and Chairmen which took place during the week of October 10th, said committee being appointed to report on the desirability of making such regulations as will permit Federal Reserve banks to discount sight drafts attached to bills of lading.

Noted, the Secretary was instructed to acknowledge receipt of Governor Morss' letter and to transmit to the other members of the Committee, Messrs. Fancher, Young, Seay, and Martin, a copy of that portion of the Board's recent letter of December 21st, to Senator McLean, which has to do with Senate Bills 4063 and 4103, calling attention to that portion which refers to the eligibility for discount of sight drafts with bills of lading attached.

1/2/23

-3-

The Vice Governor informed the Board that he had, after consultation with the members of the Board available at that time, appointed Mr. Newsome as Federal Reserve Agent and Chairman of the Board of Directors of the Federal Reserve Bank of Dallas to serve for a short time and until a permanent Agent and Chairman shall be appointed by the Board. Mr. Platt further advised that he had received notification that Mr. Newsome will accept the temporary appointment.

Upon motion, the action of the Vice Governor in this matter was ratified.

Telegram dated December 28th, from the Federal Reserve Agent at San Francisco, in reply to the Board's telegram of the same date and renewing his recommendation as contained in his letter of December 22nd, that the Board approve the application of the Security Trust and Savings Bank of Los Angeles to establish a branch in Pasadena, California.

Upon motion, the application of the Security Trust and Savings Bank of Los Angeles to establish a branch at Pasadena was approved, Mr. Crissinger and Mr. Hamlin voting "no". The Secretary was instructed to advise Mr. Perrin that the Board approves the establishment of a branch at Pasadena for the Security Trust and Savings Bank of Los Angeles, in view of the position previously taken by the Board that Pasadena is a part of the Metropolitan area of Los Angeles.

Letter dated December 26th, from the Secretary of the Federal Reserve Bank of Chicago, advising of the resignation as a Class "B" director of Mr. A. R. Erskine of South Bend, Indiana.

Noted.

Letter dated December 28th, from the Cashier of the Irving National Bank of New York, applying on behalf of the successor of that bank, the Irving Bank of New York, for permission to accept drafts and bills of exchange for the

1/2/23

-4-

purpose of furnishing dollar exchange, as provided for under Section 13 of the Federal Reserve Act.

Approved.

Memorandum dated December 21st, from General Counsel, submitting for the approval of the Federal Reserve Board, the draft of a circular letter to all Federal Reserve Agents, advising them of the new statement as to the meaning of the terms "substantial competition" which was recently adopted by the Board as a basis for acting on Clayton Act applications, and also as to the new procedure to be followed in handling such applications and as to the Board's recently adopted policy with reference to the revocation of permits previously granted.

Approved, Mr. Miller voting "no".

Letter dated December 30th, from the Comptroller of the Currency, recommending increases in the salaries of the following National Bank Examiners, effective January 1st, 1923:

<u>Name</u>	<u>Present Salary</u>	<u>New Salary Recommended</u>
P. J. Lorang	\$4000	\$4500
M. D. Smiley	4000	4200
F. D. Williams	4000	4500
I. D. Wright	4000	4200
L. L. Madland	3900	4200
T. R. Dwyer	3600	4000
A. P. Leyburn	3600	4000
W. A. Regan	3600	4000
W. H. Baldrige	3300	3600
C. F. Fiman	3300	3600
L. H. Williams	3000	3300
W. F. Sheehan	3300	3600

Approved.

1/2/23

Memorandum dated December 28th, from Chief Federal Reserve Examiner to the Vice Governor, suggesting that Mr. George M. Ringen be appointed Assistant Federal Reserve Examiner at an annual salary of \$2,700, in view of resignation of one of the Assistant Examiners.

Approved.

Letter dated December 30th, from Senator Hitchcock enclosing a copy of a Senate Joint Resolution providing for the authorization of a building for the Omaha Branch of the Federal Reserve Bank of Kansas City at a cost which, as provided for in the Resolution, is to be incurred subject to the approval of the Federal Reserve Board.

Upon motion, the Vice Governor was requested to draft a reply to Senator Hitchcock for submission to the Board as special order business, Thursday, January 4th.

The Vice Governor submitted a telegram dated December 30th, from Mr. W. G. McAdoo requesting that Mr. McAdoo be informed as to the reasons which prompted the Federal Reserve Board to decline to approve a branch for the Bank of Italy of San Francisco at Yuba City, California.

Upon motion, the Vice Governor was requested to refer Mr. McAdoo to the Federal Reserve Agent at San Francisco for an explanation of the action of the Board with the information that Mr. Perrin is authorized to discuss the matter.

Telegram dated December 22nd, from the Chairman of the Federal Reserve Bank of San Francisco, in reply to the Board's telegram of December 14th, on the subject of assessing the costs of examination upon the member banks examined.

Noted.

1/2/23

-6-

Mr. Miller called to the Board's attention that no action has been taken with reference to the proposed Group conference in San Francisco and that no action has been taken with reference to the request that Mr. Perrin and Governor Calkins be authorized to come to Washington to discuss with the Board its recent ruling regarding reserves against special savings deposits. Mr. Miller also referred to the desirability of calling the regular spring conference of Governors to meet in Washington during the latter half of March.

With reference to the request of Mr. Perrin and Governor Calkins, it was voted that these gentlemen be advised that an opinion of General Counsel, in the matter of the classification of special savings deposits will be forwarded to them within a few days, it being the sense of the Board that the opinion of Counsel referred to may alter the opinion of Messrs. Perrin and Calkins as to the necessity for coming to Washington.

Upon motion, it was ordered that twelve copies of the Annual Report of the Secretary of the Treasury be bound for distribution to the members of the Board and for use of the Board's force.

After discussion of certain Court decisions in Pennsylvania affecting the exercise of fiduciary powers by National Banks, the Vice Governor was voted power, after consultation with the Comptroller of the Currency, to employ special counsel to conduct the argument and trial of the said cases in the Courts of Pennsylvania and the United States.

At 1:20 p.m. a recess was taken until 3:00 p.m.

At 3:20 p.m. the Board reassembled, there being present:

Vice Governor Platt
Mr. Hamlin
Mr. Mitchell
Mr. Crissinger
Mr. Hoxton, Secretary

1/2/23

-7-

Mr. Mitchell, reporting for the Committee on Salaries and Charge-Offs, submitted the recommendations of the Committee covering the applications of the twelve Federal Reserve banks for the approval of the Federal Reserve Board of salary adjustments for the ensuing year at the banks and branches.

Upon motion, the report of the Committee was adopted and the recommendations made therein were approved. The memoranda comprising the Committee's report are filed in the Minute file and constitute a part of the record of this meeting.

Mr. Mitchell, reporting for the Committee on Salaries and Charge-Offs, submitted the recommendations of the Committee covering adjustments in salaries, for the ensuing year, of certain members of the staff of the Federal Reserve Board.

Upon motion, the report of the Committee was adopted and the recommendations made therein were approved. The schedule comprising the Committee's report is filed in the Minute file and constitutes a part of the record of this meeting.

Letter dated January 2nd, from the Comptroller of the Currency, requesting approval of a salary of \$8500 per annum, for Norwin S. Bean, Chief National Bank Examiner in the First Federal Reserve District.

Approved.

REPORTS OF COMMITTEE NO. 1:

- Dated December 28th, 30th, Recommending action on applications for changes in stock as set forth in the Auxiliary Minute Book of this date.
Approved.
- Dated December 28th, 29th, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.
Approved.

1/2/23

-8-

REPORTS OF COMMITTEE NO. 1:(Cont)

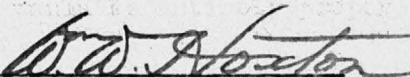
Dated December 30th, Recommending action on applications for admission of state banks, subject to the conditions stated in the individual reports attached to the applications, as set forth in the Auxiliary Minute Book of this date.

Approved.

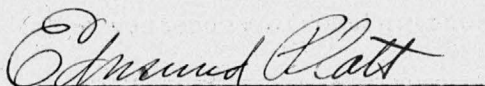
Dated December 29th, Recommending approval of the application of Mr. J. C. Donnell, to serve at the same time as director of the Equitable Trust Company, New York City, and of the Northern National Bank, Toledo, Ohio.

Approved.

The meeting adjourned at 4:45 p.m.


Secretary.

Approved:


Vice Governor.