

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Wednesday, January 3, 1923, at 11:15 a.m.

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

The Vice Governor reported the reserve positions of the several Federal Reserve banks as at close of business December 30th.

The Vice Governor called the attention of the Board to the fact that Mr. Miller was not present at the meeting yesterday when matters affecting salaries were acted upon, and that, therefore, it would be entirely proper to reopen the matter should Mr. Miller so desire.

After discussion Mr. Mitchell moved that the Board reconsider the action taken yesterday affecting the salaries for the current year of the Board's force.

Carried.

The schedule of salary adjustments submitted yesterday by the Chairman of the Committee on Salaries and Charge Offs was resubmitted to the Board. Mr. Hamlin moved that the matter of an increase of \$500 in the salary of Mr. Freeman, Assistant Counsel, be laid on the table.

Carried.

Mr. Mitchell moved that the salary of Mr. Herson, Chief Federal Reserve Bank Examiner be increased from \$11,000 to \$12,000.

Carried, Mr. Miller voting "no", with the explanation that he so voted merely because of an understanding previously held by the Board to the effect that \$10,000 shall be the maximum salary to be paid by the Board to any member of its force, stating that in case of Mr. Herson, this understanding was departed from last year by granting a salary of

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\$11,000 to Mr. Herson, the extra \$1,000 being intended to compensate for extraordinary expenditures made necessary by the travelling from place to place incident to an examiner's work.

Mr. Mitchell then moved that all other adjustments contemplated in the schedule be approved.

Carried.

With reference to the action taken yesterday approving the report of the Committee on Salaries and Charge Offs with respect to salary adjustments at the several Federal Reserve banks, Mr. Miller stated as his opinion that, while adequate compensation should be approved for officers of Federal Reserve banks, the Board should bear in mind the desirability of keeping down the total cost of senior management. To that end, Mr. Miller expressed the view that the Federal Reserve Board might properly suggest to the directors of those banks where the total cost of management appears to be out of line and where the salary of the Governor is very high, that the upward revision of any deputy Governor's salary that may be thought necessary, should be brought about by a readjustment of the Governor's salary.

In accordance with the action of the Board taken yesterday, the Vice Governor submitted the following telegram prepared for his signature to Mr. W. G. McAdoo, "Mr. Perrin has been fully advised of grounds upon which Board declined application of Bank of Italy for Yuba City branch and would suggest that you consult him."

Approved.

Letter dated December 28th, from the Federal Reserve Agent at San Francisco, transmitting with favorable recommendation, the application of the Valley Bank of Fresno, California, to purchase the First National Bank of Sanger, California, and to operate it as a branch.

Approved, Mr. Crissinger voting "no".

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Letter dated December 30th, from the Federal Reserve Agent at St. Louis, transmitting with favorable recommendation, the application of the Laclede Trust Company, St. Louis, an outlying bank, for a reduction in its reserve requirements from 10% of demand deposits and 3% of time deposits to 7% of demand deposits and 3% of time deposits.

Approved, *[Signature]*

REPORTS OF COMMITTEE NO. 1:

Dated January 2nd, Recommending action on applications for changes in stock as set forth in the Auxiliary Minute Book of this date.

Approved.

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

Approved.

The meeting adjourned at 1:10 p.m.

[Signature]
Secretary.

Approved:

[Signature]
Vice Governor.