

A meeting of the Federal Reserve Board was held in the office of the Federal Reserve Board on Monday, January 8th, 1923, at 11:00 a.m.

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

Minutes of the meeting of the Federal Reserve Board held on January 4th were read and approved. Mr. Crissinger stated that had he been present at the meeting of January 4th, he would have voted against the action of the Board whereby it was voted as the sense of the Board that if service stations are vested with discretionary power to make loans not in excess of \$500, they still retain their character as receiving stations and are not to be considered as full branches.

The Vice Governor reported the reserve positions of the several Federal Reserve banks as at close of business January 3rd, 4th and 5th.

Mr. Miller stated that he regarded it important that the Board should go thoroughly into the matter of open market purchases by the several Federal Reserve banks, and suggested that a week from today the matter be taken up and discussed by the Board. Mr. Miller also suggested that the Federal Reserve banks be requested to furnish the Board with information as to the basis upon which they determined their investments in open market purchases, and information as to their policy for open market operations for the year 1923.

Mr. Hamlin moved that General Counsel's opinion on the matter of reserves to be carried against special savings accounts in the state banks of California be transmitted to Mr. Perrin, Governor Calkins, and Mr. Edward Elliott of Los Angeles, although Mr. Hamlin stated that he was not convinced by General Counsel's argument.

Carried.

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Mr. Miller stated his objections to the form of the Board's letter of December 21, 1922, X-3594, transmitting a copy of Senate Resolution 351, requesting the Federal Reserve Board to obtain from the Federal Reserve banks, the list of names of citizens to whom the speech of Senator Glass was mailed.

After discussion, the Vice Governor submitted the replies of six of the Federal Reserve banks to the circular letter mentioned above, and upon motion of Mr. Hamlin, seconded by Mr. Crissinger, it was voted that the Secretary be instructed to telegraph to those Federal Reserve banks, from which no replies have been received, to the effect that the Federal Reserve Board desires that they comply as promptly as possible with Senate Resolution #351.

Memorandum dated January 5th, from the Secretary condensing replies from all the Federal Reserve banks to Circular Letter X-3566, dated November 17, 1922, subject "Employment of Honorable John W. Davis in all Par Clearance Litigation".

Referred to the Law Committee.

Letter dated January 3rd, from Mr. S. B. Cramer, Deputy Governor of the Federal Reserve Bank of Chicago, inquiring if the recent instructions of the Board with respect to addressing communications to the Federal Reserve Board should apply to communications in connection with the work of the Economy and Efficiency Committee.

Upon motion of Mr. Miller, it was voted that the Secretary be instructed to advise Mr. Cramer that all communications intended for the Board's Economy and Efficiency Committee should be addressed in the usual way to the Federal Reserve Board marked "For the Attention of the Economy and Efficiency Committee".

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Letter dated January 3rd, from the Chairman of the Federal Reserve Bank of St. Louis, announcing the reelection of Mr. Festus J. Wade, as the member of the Federal Advisory Council for the year 1923, representing the Eighth Federal Reserve District.

Noted.

Telegram dated January 4th, from the Federal Reserve Agent at San Francisco, advising of the appointment, subject to the approval of the Federal Reserve Board, of the regular examining staff of that bank for the ensuing year.

Formally approved, having previously been approved by the initials of the Board members.

Letter dated January 3rd, from the Secretary of the Federal Reserve Bank of New York, transmitting with favorable recommendation, the application of the Irving National Bank of New York, on behalf of its successor, the Irving Bank of New York, for permission to accept drafts or bills of exchange drawn upon it up to 100% of its paid-in capital and surplus.

Approved.

Letter dated January 4th, from the Chairman of the Federal Reserve Bank of Boston, requesting that the salary of Mr. Brigham, Assistant Manager, in active charge of local clearings be increased from \$3,000 to \$3,500.

Approved.

Memorandum dated January 5th, from the Secretary of the Board calling attention to the expiration of the term of office of Mr. Miller as a member of the Executive Committee, and suggesting that the other rotating member of

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the Board, Mr. Hamlin, be appointed for the term ending March 31, 1923, in accordance with the plan of rotation adopted by the Board October 3, 1922.

Upon motion, Mr. Hamlin was designated as a member of the Executive Committee for the term expiring March 31, 1923.

Letter dated December 20th, from the Governor of the Federal Reserve Bank of Minneapolis, addressed to Mr. Miller, with reference to the protest of checks drawn upon banks in Montana.

Referred to the Law Committee.

Letter dated January 5th, from the Comptroller of the Currency, addressed to the Vice Governor of the Board, regarding the advertisement of a certain state member bank in Kentucky to the effect that it is "Under United States Government Supervision".

Referred to the Law Committee.

Memorandum dated January 6th, from the Comptroller of the Currency, transmitting with favorable recommendation, the application of the Citizens National Bank of Dublin, Texas, to reduce its capital stock from \$100,000 to \$50,000.

Approved.

Letter dated January 3rd, from the Chairman of the Federal Reserve Bank of Philadelphia, advising of the reappointment of Messrs. Post and Grosscup as Assistant Federal Reserve Agents and the appointment of Mr. J. Frank Rehfuss as Acting Assistant Federal Reserve Agent, together with letter in reply, prepared for the signature of the Secretary of the Board.

Approved.

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Letter dated January 5th, from the Secretary of the Federal Reserve Bank of New York, advising of the reelection of Mr. Paul M. Warburg as a member from the Second Federal Reserve District of the Federal Advisory Council for the year 1923.

Noted.

Memorandum dated January 5th, from the Division of Examination, transmitting the application of the Trust Company of Georgia, for the approval of the Federal Reserve Board, of the said bank's taking over the assets and liabilities of the Lowry National Bank and said trust company's application for 1800 additional shares of stock in the Federal Reserve Bank of Atlanta, under its new name, Lowry Bank and Trust Company.

Approved.

Letter dated January 5th, from the Asia Banking Corporation of New York, advising that on January 6th a branch of that bank will be opened at 50-A Yamashita Oho, Yokohama, Japan.

Noted.

The Vice Governor submitted a letter dated January 6th, addressed to him by the Chairman of the Federal Reserve Bank of Boston, advising that Mr. W.P.G. Harding had been elected as Governor of the Federal Reserve Bank of Boston, and that his salary would be fixed by the Board of Directors of that bank, subject to the approval of the Federal Reserve Board, at \$25,000 per annum.

Upon motion, the Vice Governor was authorized to approve the action of the Board of Directors of the Federal Reserve Bank of Boston.

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Memorandum dated January 3rd, from the Chief of the Division of Bank Operations as follows: "Beginning with the statement for the week ending January 10th, it is proposed to eliminate the captions 'One-year Certificates (Pittman Act)' and 'Other Certificates' and to report total certificates holdings against the caption 'United States Certificates of Indebtedness.'" "

Approved.

Letter dated December 26th, from the Assistant Federal Reserve Agent and Chief Examiner at San Francisco, in reply to the Board's letter, X-3587, dated December 14th, 1922, requesting report as to the extent and manner of cooperation with the State Banking Departments in the examination of state member banks.

It was, upon motion, ordered that this letter together with the other replies received to the Board's letter X-3587 be referred to the Law Committee for consultation with Counsel and report back to the Board.

Memorandum dated January 6th, from the Assistant Secretary to the Federal Reserve Board, advising of the resignation of Miss Ethel B. Ogden, employed as Statistical Clerk in the Division of Analysis and Research, effective as at close of business January 15th, and requesting authority to fill the vacancy by employment of a Statistical Clerk at \$1500 per annum.

Approved.

Letter dated January 8th, from the Comptroller of the Currency recommending an increase in the salary of Chief National Bank Examiner J. W. Pole, from \$9,000 to \$10,000 per annum, effective January 1, 1923.

Approved.

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Letter dated January 5th, from the Railway Loan Advisory Committee of the Federal Reserve Board, recommending approval of the form of obligation submitted by the Wheeling and Lake Erie Railway Company for a loan of \$500,000, (in two parts, the carrier electing at this time to take over the second part of the loan in the amount of \$100,000,) under the provisions of Section 210 of the Transportation Act, 1920, as amended.

Approved.

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Letter dated January 5th, from the Comptroller of the Currency recommending an increase in the salary of Chief National Bank Examiner Richard H. Collier, from \$9,000 to \$10,000 per annum, effective January 1, 1923.

Approved.

Letter dated January 5th, from the Comptroller of the Currency recommending increases in salaries of the following National Bank Examiners assigned to various Federal Reserve Districts, effective January 1, 1923:

<u>Name</u>	<u>Present Salary</u>	<u>New Salary Recommended</u>
Nathan S. DuBois	\$3600	\$3900
Charles H. Hartman	3600	3900
H. C. Whiteman	3300	3600
Robert W. Wylie	3300	3600
Joel S. McKee	3300	3600
H. J. McKee	3000	3300
V. H. Northcutt	4200	4500
C. A. Reinholdt	3300	3600
John C. Peightel	3600	3900
Wm. R. Young	3900	4200
A. L. James	4500	4800
E. H. Gough	5500	6000

Approved.

REPORTS OF COMMITTEE NO. 1.

Dated January 5th, Recommending action on applications for changes in stock
6th, as set forth in the Auxiliary Minute Book of this date.

Approved.

Dated January 5th, Recommending action on applications for fiduciary powers
as set forth in the Auxiliary Minute Book of this date.

Approved.

Dated January 8th, Recommending action on application for admission of
state bank, subject to the conditions stated in the individual reports attached to the application, as set forth in the Auxiliary Minute Book of this date.

Approved.

The meeting adjourned at 1:20 p.m.

Approved:

Edmund Platt

Vice Governor.

O. W. Boston
Secretary.