

A meeting of the Federal Reserve Board was held in the office of the Board on Thursday, January 25, 1923, at 11:20 a.m.

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

Minutes of the meeting of the Federal Reserve Board held on January 17th were read and on motion approved.

Minutes of the meetings of the Executive Committee held on January 19th, 23rd and 24th, were read and upon motion, the action recorded therein was ratified. Mr. Crissinger stated that had he been present he would have voted against the approval of the branches for California state banks mentioned in the minutes of the meetings of the Executive Committee.

The Vice Governor reported the reserve positions of the several Federal Reserve banks as at close of business January 23rd.

Letter dated January 19th, from the Chairman of the Federal Reserve Bank of San Francisco, written in response to the Board's telegram of December 28th, and enclosing a copy of the lease of quarters for the Portland Branch which has been executed by the Federal Reserve Bank of San Francisco.

Referred to the Law Committee.

Memorandum dated January 3rd, from the Comptroller of the Currency, transmitting the application of the First National Bank of Seale, Alabama, to reduce its capital stock from \$60,000 to \$25,000.

Upon motion, the application was referred back to Mr. Crissinger.

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Letter dated January 22nd, from the Assistant Federal Reserve Agent at Cleveland, requesting the Board to consider the appointments of Mr. Wardrop and Mr. Davis, at the Pittsburgh and Cincinnati branches, as "Assistant Federal Reserve Agents in an Emergency" as cancelled.

Noted with approval.

Letter dated January 19th, from the Chairman of the Federal Reserve Bank at San Francisco, enclosing nine copies of an opinion prepared by the Counsel of that Bank, concerning the legal aspects of the reserve requirements against special savings deposits in California state banks.

The Secretary was instructed to furnish a copy of the opinion to each member of the Board.

The Vice Governor referred to action of the Board taken at its meeting of December 6th, 1922, whereby it was voted 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.

//The Vice Governor also referred to the minutes of the meeting of January 8th, 1923, wherein it is recorded that Mr. Miller suggested that the Board should go thoroughly into the matter of open market purchases by the several Federal Reserve banks, and further suggested that the Federal Reserve banks should be requested to furnish the Board with information as to the basis upon which they determined their present investments in open market purchases, and information as to their policy for open market operations for the year 1923.

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After discussion, it was upon motion of Mr. Crissinger voted that these matters be laid upon the table until after the next meeting of the Federal Advisory Council, it being the sense of the members that these matters should be presented for consideration to the Federal Advisory Council.

Upon motion of Mr. Hamlin, it was voted that the Vice Governor be requested to request the President of the Federal Advisory Council, Mr. Rue, to advise the members of the Council of the wish of the Federal Reserve Board that they come to the next meeting of the Council prepared to discuss certain points contained in an address recently delivered by Mr. Paul M. Warburg.

REPORTS OF COMMITTEE NO. 1:

- Dated January 24th, Recommending action on applications for changes in stock as set forth in the Auxiliary Minute Book of this date.  
Approved.
- Dated January 23rd, Recommending action on applications for fiduciary powers as set forth in the Auxiliary Minute Book of this date.  
23rd, Approved.
- Dated January 24th, Recommending approval of the application of Mr. F.G. Babb to serve at the same time as director and Vice President of the Security National Bank, Oklahoma City, Oklahoma, and of the First National Bank, Moore, Oklahoma.  
Approved.

The meeting adjourned at 12:15 p.m.

W. W. Hoexter  
Secretary.

Approved:

Edmund Platt  
Vice Governor.